

For An Act To Be Entitled

AN ACT TO REORGANIZE THE EXISTING PUBLIC
EDUCATION SYSTEM; TO ESTABLISH THE POWERS AND
DUTIES OF THE OFFICERS OF THE PUBLIC EDUCATION
SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

THE COMPREHENSIVE PUBLIC EDUCATION
REORGANIZATION ACT.

WHEREAS, The Arkansas Supreme Court, in the decision of Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the now extant system of public education to be unconstitutional because it is both inequitable and inadequate; and

WHEREAS, The Arkansas Supreme Court set forth the test for a constitutional system to be one in which the state has an "absolute duty" to provide an "equal opportunity to an adequate education"; and

WHEREAS, The Arkansas Supreme Court defined an "equal opportunity" to include the "basic components [of] substantially equal curricula, substantially equal facilities, and substantially equal equipment for obtaining an adequate education"; and

WHEREAS, The Arkansas Supreme Court pointed to discrepancies in teacher salaries finding that "[w]ell paid and well motivated teachers are what make the education engine run"; and

WHEREAS, The Arkansas Supreme Court recognized that the Arkansas General Assembly had "addressed what an adequate education in Arkansas would entail" through the passage of § 3 of Act 1108 of 1997 and § 1 of Act 1307 of 1997; and

WHEREAS, The General Assembly acknowledges the Acts 1108 and 1307 set forth what Arkansas' children should be able to know and do, which is the definition of an adequate education; and,

WHEREAS, The Arkansas Supreme Court has only given until January 1, 2004, to implement a constitutional education system; and

WHEREAS, The State of Arkansas recognizes that it has been the position of the state that any school district, regardless of size, whose students consistently exhibited exceptional performances on state, regional, or national examinations or on other related indicators of academic success would not be adversely affected by any structure of public education; and

WHEREAS, It is the desire of the State of Arkansas to maintain as many community schools and as much community involvement in public education as possible; and

WHEREAS, The state recognizes that there is no greater indicator of success in education than the involvement of the parents of students and the members of the community; and

WHEREAS, Multiple studies of education and education efficiency have determined that there are better ways of delivering an education system than the one that currently exists in Arkansas; and

WHEREAS, The state is acutely aware of financial and monetary restraints that have been placed on it by both the current state of the economy and the Constitution of the State of Arkansas; and

WHEREAS, The state has to find an efficient method to use its limited resources to create a system of public education as defined by Article 14, as amended, of the Arkansas Constitution,

NOW THEREFORE, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Legislative purpose

The General Assembly declares that this act is necessary to ensure the delivery of a constitutionally compliant equal opportunity for adequate educational services to the people of Arkansas in an efficient and effective manner; to provide education accountability at all levels of public school education including but not limited to student performance, teacher performance, administrative performance and overall school performance; to develop a teacher compensation structure which enables the state of Arkansas to compete both regionally and nationally in initial hiring and retention of top quality teachers; and to ensure the provision of substantially equal and adequate facilities and educational equipment and technology for all public school students.

SECTION 2. Creation of the Office of Public School Accountability under the State Board of Education.

(a) In order to enhance the public's access to public school performance indicators and to better measure the dividends paid on the increasing public investment in Arkansas' schools, the General Assembly finds that an Office of Public School Accountability should be established under the direct operational control of the State Board of Education. The foremost obligation of this section shall be to administer all monitoring and compliance activities dealing with academic and fiscal accountability for each school or school district and report academic progress.

(b) Upon the effective date of this act, there is created an Office of Public School Accountability.

(c) The Office of Public School Accountability shall report directly to the State Board of Education.

(d) The Chairman of the State Board of Education shall name a three member Public School Accountability Oversight Panel consisting of the following individuals:

- (1) Chairman of the State Board of Education
- (2) Two (2) members of the State Board of Education

(e) The Public School Accountability Oversight Panel shall select an individual to serve as the Public School Accountability Officer.

(1) The Public School Accountability Officer shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(2) The Public School Accountability Officer, with guidance and approval from the Public School Accountability Oversight Panel, shall be responsible for hiring all employees of the Office of Public School Accountability.

(f) The Office of Public School Accountability shall have the following responsibilities:

(1) Monitor schools for compliance with state and federal regulations;

(2) Monitor schools for compliance with legislative acts and court ordered mandates;

(3) Monitor schools for compliance with all standards of learning and accreditation as established by the State Board of Education;

(4) Monitor schools for compliance with all rules and regulations as established by the State Board of Education;

(5) Coordinate the analysis, dissemination, and reporting of all criterion and norm-referenced testing information;

(6) Coordinate the implementation and administration of longitudinal tracking and trend data collection as established by the Arkansas State Board of General Education for the purposes of improving student and school performance, ensuring mastery of the curriculum and providing comparison between students within Arkansas and with students in other states;

(7) Coordinate the implementation and administration of value-added assessments as established by the State Board of Education;

(8) Coordinate the implementation and administration of the annual school performance reports as established by the State Board of Education;

(9) Administer all monitoring and compliance activities dealing with academic and fiscal accountability as established by the State Board of Education;

(10) Administer all monitoring and compliance activities dealing with desegregation and equity issues;

(11) Serve as the Dispute Resolution Office for the Arkansas public school system, and

(12) Work with program approval and certification sections of the Arkansas Department of Education, the Arkansas Department of Higher Education, the Arkansas Department of Workforce Education and the individual colleges to provide information that will contribute to reasonable, equitable, and excellent preparation of certified personnel in the institutions, both public and private, of higher education.

(g) The Office of Public School Accountability, through the State Board of Education, shall make available to the Joint Interim Oversight Subcommittee on Educational Reform, the House and Senate Interim Committees on Education annual reports of school performance or compliance.

(h) Upon the effective date of this act, there is created the Arkansas Public Schools Accountability Advisory Council.

(1) The membership of the Arkansas Public Schools Accountability Advisory Council shall include:

(A) One (1) person designated as chairman, to be selected by the Governor, who shall be a representative of Arkansas businesses;

(B) One (1) person selected by the Governor, who shall be a representative of a educator's union in the state of Arkansas;

(C) One (1) person selected by the Governor, who shall be a parent of at least one (1) student currently enrolled in kindergarten through grade 12 (K-12) in a public school in the state of Arkansas;

(D) One (1) person selected by the Speaker of the Arkansas House of Representatives who shall be a representative of Higher Education;

(E) One (1) person appointed by the President Pro Tempore of the Arkansas Senate who shall be a representative of Arkansas businesses;

(F) One (1) person appointed by the Senate Committee on Education who is currently employed as a teacher in the kindergarten through grade twelve (K-12) public school system in the state of Arkansas;

(G) One (1) person appointed by the House Committee on Education who shall be a representative of the administration of a public school in the state of Arkansas.

(2) The Arkansas Public Schools Accountability Advisory Council shall provide advice and consultation services for the Public Schools Accountability Officer.

(3) The Arkansas Public Schools Accountability Advisory Council may be convened by the Chair of the Advisory Council, by the Chair of the State Board of Education, or by the Public Schools Accountability Officer.

(4) Members shall not receive compensation for service on the Arkansas Public Schools Accountability Advisory Council but may receive expense reimbursement as provided in Arkansas Code 25-16-902.

SECTION 3. Creation of the Office of Public Schools Academic Facilities under the State Board of Education.

(a) In order to ensure that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas, the General Assembly finds that an Office of Public School Academic Facilities should be established under the direct operational control of the State Board of Education.

(b) Upon the effective date of this act, there is created an Office of Public School Academic Facilities.

(c) The Office of Public School Academic Facilities shall report directly to the State Board of Education.

(d) The Chairman of the State Board of Education shall name a three member Public School Academic Facilities Oversight Panel consisting of the following individuals:

(1) Chairman of the State Board of Education

(2) Two (2) members of the State Board of Education

(e)(1) The Public School Academic Facilities Oversight Panel shall select an individual to serve as the Public School Academic Facilities Officer.

(2) The Public School Academic Facilities Officer shall be an architect, licensed by the State of Arkansas.

(3) The Public School Academic Facilities Officer shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(2) The Public School Academic Facilities Officer, with guidance and approval from the Public School Academic Facilities Oversight Panel,

shall be responsible for hiring all employees of the Office of Public School Academic Facilities.

(f) The Arkansas Executive Chief Information Officer shall assign one individual from the staff of the Office of Information Technology to serve as a technology liaison to the Public Schools Academic Facilities Office.

(g) The Director of the Arkansas Building Authority shall assign one individual from the staff of the Arkansas Building Authority to serve as a physical plant liaison to the Public Schools Academic Facilities Officer.

(h) The Office of Public Schools Academic Facilities shall conduct an educational facilities needs assessment to be completed and presented to the no later than June 30, 2005.

(1) This assessment shall be a comprehensive review, district by district, of all existing facilities, including technology in each district.

(i) The Public Schools Academic Facilities Officer shall present a report on the educational facilities needs assessment to the State Board of Education no later than August 1, 2005.

(j) The Public Schools Academic Facilities Officer shall prepare a report, under the direction of the Arkansas State Board of General Education, for presentation to the Governor and the House and Senate Education Committees no later than September 1, 2005. This report shall include recommendations on the most critical facilities and technology needs and provide priorities for each category.

(k)(1) Effective January 1, 2006, the Office of Public Schools Academic Facilities shall on a quarterly basis receive a list of any repair in excess of five thousand dollars (\$5,000), new construction in excess of twenty-five thousand dollars (\$25,000), or technology needs in excess of ten thousand dollars (\$10,000) from each school district in the state.

(2) The Public School Academic Facilities Officer shall have the responsibility for creating a standardized reporting format and selecting the medium to be utilized by school districts in the preparation and submission of the report to the Office of Public Schools Academic Facilities.

(3) The data gathered from the reports generated by the school districts shall be presented to the State Board of Education for compilation into an annual report to the Governor and the House and Senate Education Committees on the facilities needs in the state.

(4) The Office of Public Schools Academic Facilities shall conduct any reviews, site visits, and other research during the year to assist in preparation of the annual report.

(l) The Public Schools Academic Facilities Officer shall present to the Governor and the House and Senate Education Committees an annual report on the public facilities status including the facilities and technologies needs and priorities for each category.

(m) No later than September 30 of each even numbered year of the biennium, the Public Schools Academic Facilities Officer shall present to the Governor and the House and Senate Education Committees the list of public school facilities and technology improvements proposed for the next biennium.

Section 4. Creation of the Office of Education Renewal Zones under the State Board of Education.

(a) Upon the effective date of this act, there is created an Office of Public School Education Renewal Zones.

(c) The Office of Public School Education Renewal Zones shall report directly to the State Board of Education.

(d) The Chairman of the State Board of Education shall name a three member Public School Education Renewal Zones Oversight Panel consisting of the following individuals:

(1) Chairman of the State Board of Education

(2) Two (2) members of the State Board of Education

(e)(1) The Public School Education Renewal Zones Oversight Panel shall select an individual to serve as the Public School Education Renewal Zones Officer.

(2) The Public School Education Renewal Zones Officer shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(3) The Public School Education Renewal Zones Officer, with guidance and approval from the Public School Education Renewal Zones Oversight Panel, shall be responsible for hiring all employees of the Office of Public School Education Renewal Zones.

(4) The Director of the Arkansas Department of Higher Education shall assign one individual from the staff of the Department of Higher

Education to serve as a liaison to the Office of Public Schools Education Renewal Zones.

(f) The Office of Education Renewal Zones shall be responsible for developing guidelines for the approval of Education Renewal Zone strategic plans and guidelines for the evaluation and reporting of Education Renewal Zone activities.

(g) The Office of Education Renewal Zones shall approve any Education Renewal Zone strategic plan prior to the disbursement or annual renewal of funds to participating institutions of higher education.

(h) Effective July 1, 2004, any public school, education service center and institution of higher education is authorized to enter into one or more inter-local agreement through which they collaborate to improve public school performance and academic achievement.

(1) Each inter-local agreement shall establish an Education Renewal Zone.

(2) The purpose of an Education Renewal Zone shall be:

(A) To identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement throughout the state of Arkansas, with special focus on the state's most academically distressed public schools.

(B) To provide for collaboration among the state's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities.

(C) To maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas's higher education institutions, the expertise of the regional education service centers, and the technical assistance of other service providers to improve public school performance and student academic achievement.

(D) To enable small, rural and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

(i) Each Education Renewal Zone shall consist of the following:

(1) Higher Education Partner (HEP)

(A) The Office of Education Renewal Zones shall develop, publish and disseminate guidelines for establishing an Education Renewal

Zone, including a process for selecting a qualified Education Renewal Zone Higher Education Partner (HEP) in each of the fifteen (15) educational service centers areas in the state and in Pulaski County.

(B) A qualified higher education institution shall meet the following minimum requirements:

- (i) A school or department of education, or
- (ii) A comprehensive four-year teacher preparation program, and
- (iii) Be capable of demonstrating a willingness and flexibility to restructure its programs and services to meet the needs of the participating K-12 schools and school districts.

(iv) The Office of Education Renewal Zones shall give preference to qualified four-year higher education institutions located within the educational service center area.

(C) In the event that there is no qualified four-year higher education institution located within the education service center area, the Office of Education Renewal Zones may select:

- (i) A two-year higher education institution that, in collaboration with a qualified four-year educational institution located in another education service center area, provides a comprehensive four-year teacher preparation program, or
- (ii) A qualified higher education institution located in another educational service center area.
- (iii) An institution of higher education may serve as the HEP for more than one educational service center area.

(2) Educational Service Center (ESC)

(A) The Educational Service Center shall be a full partner in planning, implementing and evaluating the Education Renewal Zone in its respective service area and shall provide direct services as called for in the Education Renewal Zone Plan.

(3) Public Schools

(A) Public schools may participate in an Education Renewal Zone upon successful application by the public school district of which the school is a part.

(B) The application for admission to the Education Renewal Zone shall be submitted to the Office of Education Renewal Zones at a time

and in a manner as prescribed via rule or standard by the Office of Education Renewal Zones.

(i) Acceptance or rejection of the application by a school for admittance to an Education Renewal Zone shall be the responsibility of the Office of Education Renewal Zones, with consultation from the Higher Education Partner.

(ii) The Office of Education Renewal Zones may include within an Education Renewal Zone any school within the Education Service Center area provided that no more than ten (10) schools may participate in any single Education Renewal Zone.

(iii) The Office of Education Renewal Zones may designate up to a maximum of three (3) Education Renewal Zones within any single Education Service Center area.

(C) In designating Education Renewal Zones and selecting schools for participation in a particular zone, the Office of Education Renewal Zones shall give priority to schools that meet one or more of the following criteria:

(i) The school is classified as "School Improvement Schools" or "Alert Status for School Improvement" under the Arkansas state compliance plan under the federal Elementary and Secondary Education Act of 2002, the No Child Left Behind Act.

(ii) The school lies within a school district classified as in "Academic Distress" or "Financial Distress" under the Arkansas Comprehensive Testing, Assessment, and Accountability Program.

(iii) The school demonstrates an inability to hire and retain highly qualified teachers as defined by the state plan for compliance with the No Child Left Behind Act.

(iv) The school demonstrates an inability to provide the minimum number of course offerings as determined by the state through the conventional hiring of qualified teachers.

(v) The school is within a school district with an average daily membership of fewer than one thousand five hundred (1,500) students.

(vi) The school serves a student population that exceeds the average rate of participation in free or reduced price lunch programs.

(4) Local Advisory Group

(A) Each Education Renewal Zone shall form a local advisory group comprised of a representative of the following groups:

(i) The Higher Education Institution Partner

(ii) The Education Service Center which includes the area in which the Education Renewal Zone is located

(iii) The public school or school district participating in the Education Renewal Zone.

(iv) Each community in which there is a school participating in the Education Renewal Zone.

(B) The Office of Education Renewal Zones may designate up to a maximum of three (3) Education Renewal Zones within any single Education Service Center area.

(5) Technical Assistance Provider (TAP)

(A) Any two-year community or technical college, technical support organization, or other entity may participate in the Education Renewal Zone at the discretion of the Office of Education Renewal Zones and in collaboration with a designated Higher Education Institution Partner and a designated Education Service Center.

(j) The Office of Education Renewal Zones, the State Board of Education and the local school districts shall exercise due diligence to assure that all schools classified as "School Improvement Schools" under the No Child Left Behind Act are included in a designated Education Renewal Zone.

(k) The Office of Education Renewal Zones may, at its discretion, include any school regardless of its eligibility under the foregoing criteria, if it determines that on the basis of location, characteristics of its faculty or leadership, needs of the students, or other factors, in the judgment of the Office of Education Renewal Zones, that the inclusion of such school significantly strengthens the prospect of the Education Renewal Zone in meeting its school improvement goals.

(l) The Office of Education Renewal Zones may, at its discretion, change participating schools within each Education Renewal Zone.

(m) Each school participating in an Education Renewal Zone shall develop and implement a school improvement plan.

(1) Each school improvement plan shall at a minimum include the following:

(A) Goals for improving student achievement
(B) Measurable benchmarks for achieving student improvement goals.

(C) A timeline for reaching goals in improving student achievement.

(D) Requirements for services to be provided by the Education Renewal Zone Partners.

(n) The partners within a specific Education Renewal Zone shall develop a strategic plan that is responsive to the needs of the individual school improvement plans.

(o) The Education Renewal Zone Strategic Plan shall at a minimum provide for the following:

(A) Collaboration between and among the higher education institution partners, education service centers, schools and communities participating in the Education Renewal Zone, including within the academic departments within the higher education institution partners

(B) A comprehensive program of professional development to assure the practical knowledge base of pre-service and in-service teachers with respect to pedagogical practice, content knowledge, and competent use of distance learning technology.

(C) Enhancement and expansion of local school curricula offerings through the use of two-way interactive television to include advanced placement, dual-credit and advanced high school courses,

(D) The sharing of faculty for core course offerings when schools are unable to hire highly qualified teachers in core subject areas required for college entrance or teachers necessary to meet state accreditation standards,

(E) A strategy to recruit and retain highly qualified teachers with particular focus on hard-to-staff schools,

(F) A system for mentoring teachers with three (3) or fewer years of professional service,

(G) Active participation of the community in the work of the school,

(H) Active involvement of parents in the academic work of the student, and

(I) A means of collecting the data necessary to evaluate the progress of each participating public school and the Education Renewal Zone in its entirety.

(p) Each Education Renewal Zone, using guidelines and indicators set by the Office of Education Renewal Zones, shall prepare an annual report to the Office of Education Renewal Zones describing the progress toward accomplishing the goals of the Education Renewal Zone.

(q) The Office of Education Renewal Zones, under guidance and direction of the Office of Education Renewal Zones Oversight panel of the State Board of Education, shall prepare an annual report to the Governor, the General Assembly, and the Arkansas State Board of Education describing the progress toward accomplishing the goals of the individual Education Renewal Zones and the overall Education Renewal Zone program.

(r) The Office of Education Renewal Zones shall establish a website, accessible by the public, to provide for broad dissemination of both the Education Renewal Zone plans and strategies and the results of the annual reports on progress toward accomplishing the goals of the individual Education Renewal Zones and the overall Education Renewal Zone program.

SECTION 5. Restructuring of the Arkansas Department of Education

(a) Upon the effective date of this act, the Academic Standards and Assessment Unit of the Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be eliminated.

(b) Upon the effective date of this act, the Educational Accountability Unit of the Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be eliminated.

(c) Upon the effective date of this act, the Standards Assurance Unit of the Educational Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be eliminated.

(d) Upon the effective date of this act, the Dispute Resolutions Unit of the Educational Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be eliminated.

(e) Upon the effective date of this act, the Technology Resources and Planning Unit of the Information and Technology Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be eliminated.

(f) Upon the effective date of this act, the position of Assistant Director of Communications is eliminated.

(g) Upon the effective date of this act, the position of Communications Officer of the Arkansas Department of Education is established.

(1) The Communications Officer of the Arkansas Department of Education shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(2) The Director of the Arkansas Department of Education shall be responsible for hiring the Communications Officer of the Arkansas Department of Education.

(h) This act shall in no way be construed to prohibit the Director of the Department of Education, the State Board of Education, the Public Schools Accountability Officer, the Public Schools Academic Facilities Officer or the Public Schools Education Renewal Zones Officer from rehiring an employee of the Department of Education whose employment position was terminated pursuant to this act.

(i) This act shall in no way be construed to interrupt, prohibit or cause to cease to exist any employment or retirement benefits entitled to state employees employed immediately prior to July 1, 2004, by the Department of Education.

SECTION 6. Arkansas Code § 6-1-101(b), pertaining to the requirements of an audit report by an independent accountant, is amended to read as follows:

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include, as a minimum and as an integral part of the annual financial report, a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 - 14-75-104;

(2) School officials prohibited from having interest in sales to school and from receiving pecuniary profits for favorable actions, §§ ~~6-13-628~~, 6-21-601, 6-21-603;

(3) School elections, §§ 6-14-102, 6-14-118;

(4) Management of schools, §§ ~~6-13-617~~ ~~6-13-620~~ §§ 6-13-637 - 6-13-643 and 6-13-701;

(5) Revolving loan fund, §§ 6-19-114, 6-20-801, 6-20-802;

(6) District finances, §§ 6-20-402, 6-20-409;

(7) District school bonds, §§ 6-20-1208, 6-20-1210;

(8) Teachers and employees, §§ 6-17-201, 6-17-203 - 6-17-206, 6-17-301, 6-17-401;

(9) Teachers' salaries, the Minimum Foundation Program Aid Act, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-911 - 6-17-915, 6-17-918, and 6-17-919;

(10) Surety bonds if district has district treasurer, § 19-1-403;

(11) Deposit of funds, §§ 19-8-104, 19-8-106;

(12) Investment of funds, § 19-1-504; and

(13) Improvement contracts, §§ 22-9-201 - 22-9-205.

SECTION 7. Arkansas Code § 6-1-202(c)(3), pertaining to the location of the Arkansas Leadership Institute for Teachers of the Delta, is amended to read as follows:

(3)(A) A-Lift shall be located in Helena, Pine Bluff, or Monticello at an existing site with space available to house the institute.

(B) An existing site may be a two-year institution, a four-year institution, ~~an education service cooperative~~, or other institution.

(C) Preference for location shall be given to four-year institutions or ~~education service cooperatives~~ possible education service centers in Helena, Pine Bluff, or Monticello that have experience in professional development support mentoring, teacher licensure, and teacher quality.

(D) The board shall have authority to issue the requests for proposals site selection, and the selection shall be based upon a response to a request for proposal issued through the board.

SECTION 8. Arkansas Code § 6-10-109(b)(1), pertaining to entities that are eligible for grants to operate Parents As Teachers programs, is amended to read as follows:

(b)(1) Only public school districts or ~~education service cooperatives established under Act 103 of the Extraordinary Session of 1983 [repealed] or under § 6-13-1001 et seq.~~ education service centers are eligible for grants to operate Parents As Teachers programs.

SECTION 9. Arkansas Code § 6-11-101 is amended as follows:

6-11-101. State Board of Education Members

(b)(1) The term of office of a member of the board shall be ~~six (6) years~~ a single ten (10) year term.

(2) In the event an individual is appointed to the State Board of Education to complete the term of another individual's term with less than two (2) years remaining on the original term, then the individual appointed to fill the remaining term may be reappointed to a true ten (10) year term.

(3) No individual shall be allowed to resign in order to be appointed to a different ten (10) year or less term on the board.

SECTION 10. Arkansas Code § 6-11-118 is repealed.

~~6-11-118. Office of Rural Services.~~

~~(a) This section shall be known as the "Rural Services Act of 1981".~~

~~(b) The General Assembly recognizes that Arkansas Constitution, Article 14, requires the state to provide a general, suitable, and efficient system of free public schools and that the Department of Education is legislatively created to help provide these schools. The General Assembly further recognizes the need for effective aid and assistance to the smaller rural school districts of the state and that under the present structure of the department such aid and assistance is not adequate.~~

~~(c)(1) There is created the Office of Rural Services in the department.~~

~~(2) The Director of the Department of Education shall establish a coordinator in the office.~~

~~(3) The duties of this office shall be to:~~

~~(A) Direct programs to improve the quality of the rural schools of the state by helping to deliver comprehensive technical assistance~~

~~services such as curriculum development, teaching methods evaluations, program development, planning, needs assessments, etc.;~~

~~(B) Help develop teacher training programs that fit the needs of rural students;~~

~~(C) Develop and conduct in-service education programs for rural teachers, administrators, and county board of education members;~~

~~(D) Act as liaison between rural education and rural development activities;~~

~~(E) Assist rural districts in developing rural resource cooperatives in order that rural schools can share a pool of specialized human, material, and technical resources;~~

~~(F) Assist rural schools in construction and renovation programs;~~

~~(G) Identify and create an awareness of promising practices of rural schools throughout the state and nation;~~

~~(H) Serve as liaison between the department and the small schools; and~~

~~(I) Coordinate all other activities especially for small schools and collect such data as are needed by the General Assembly in order that rural schools may be properly financed.~~

~~(4) The office shall answer directly to the director.~~

~~(d) For the purpose of this section, the term "rural school" shall be interchangeable with the term "small high school" and shall include those schools with enrollments of five hundred (500) or fewer in kindergarten through grade twelve (K-12). Schools with enrollments of five hundred (500) to seven hundred fifty (750) shall also be served by this office if they are in unincorporated areas and if the superintendent requests that the school become a part of the area for which this office is responsible.~~

SECTION 11. Arkansas Code § 6-11-124 is repealed.

~~6-11-124. Statewide computer network.~~

~~(a) Acts 1991, No. 1034, authorizes the Board of Trustees of the Arkansas Teacher Retirement System to provide a loan to the Department of Education for a statewide computer system capable of linking all public school systems and the department. In order to provide alternatives to accomplish the purposes of Acts 1991, No. 1034, the department is hereby~~

~~authorized to enter into a contractual agreement with IMPAC Learning Systems, Inc. for the development of a statewide computer system capable of linking all public school systems and the department from funds provided by a loan from the system.~~

~~(b) The State Board of Education shall maintain oversight authority over the approval of all standards, procedures, and specifications determined by the department regarding the purchase or lease of the statewide computer network in addition to maintaining oversight authority over the operational aspects of the system.~~

~~(c)(1)(A) As a means of providing assistance to, and coordination of efforts between the department, the Department of Information Systems, users of the statewide computer network, and other educational technology applications, there is hereby created the Public Education Technology Advisory Board, which shall consist of nine (9) members as follows:~~

~~(i) The President of the Arkansas Science and Technology Authority;~~

~~(ii) The Director of the Department of Information Systems;~~

~~(iii) The Director of the Department of Education;~~

~~(iv) Three (3) citizens of the State of Arkansas who are knowledgeable in the various aspects of educational finance who shall be appointed by the Governor from a list of names submitted by the Arkansas Association of Educational Administrators. They shall serve three-year terms; and~~

~~(v) Three (3) members appointed by the Governor from a list of names submitted by the association who are knowledgeable in the various aspects of the student and instruction application. They shall serve three-year terms.~~

~~(B) The members of the board shall serve without pay and shall represent the needs and interests of citizens and users of educational technology.~~

~~(C) The president shall be designated as chairman of the board.~~

~~(D) The board shall be convened at the call of the chair.~~

~~(E) The Department of Education and the Department of Information Systems shall provide appropriate staff support.~~

~~(2)(A) The board may create such advisory committees as it deems necessary to assist it in carrying out its functions. The memberships of these advisory committees may include members of the board and other persons drawn from various sources, all of whom shall serve at the pleasure of the board.~~

~~(B) Members of the advisory committees shall serve without compensation for their membership on the committees.~~

~~(3) The board shall issue an annual report on the condition of educational technology in Arkansas to the Governor, the Joint Committee on Advanced Communications and Information Technology, and the Joint Interim Oversight Subcommittee on Educational Reform.~~

~~(d) The director is hereby authorized to request from the Chief Fiscal Officer of the State a transfer of appropriation authorized for school district management and statewide data collection by the General Assembly to any other line item appropriation authorized for the department for the same purpose.~~

SECTION 12. Effective July 1, 2004, Arkansas Code § 6-12-301 is repealed.

~~6-12-301. Creation — Members generally.~~

~~(a) If a county has a county school supervisor or county board of education designee as set forth in § 6-12-201 (repealed), the county shall also have a county board of education composed of five (5) members.~~

~~(b) The members of county boards of education shall be qualified electors who are known for their good moral character, honesty, industry, public spirit, and interest in education and who do not hold any salaried or fee office of the state or any political subdivision thereof.~~

~~(c) The term of office for a member of the county board shall be five (5) years, provided that any member of the county board shall hold office until a successor has been elected or appointed and qualified.~~

~~(d) A member may succeed himself or herself.~~

~~(e) The county board of election commissioners shall notify each person elected or appointed as a member of the county board in accordance with the provisions of this chapter.~~

~~(f) A change of residence from the county zone shall automatically disqualify the member from serving out the term for which the member was elected.~~

~~(g)(1)(A) If a vacancy occurs on the county board, the vacancy shall be filled by a vote of a majority of the remaining members.~~

~~(B) If the remaining members fail to fill a vacancy within sixty (60) days after the date of vacancy, the vacancy shall be filled by appointment by the county judge.~~

~~(C) If, as a result of several vacancies, only a minority of the county board remains, then the county judge shall fill all the vacancies by appointment.~~

~~(2) Appointed members shall have the same qualifications as elected members, and each shall serve a full five-year term.~~

~~(h) The members of the county board shall serve without compensation but shall be allowed actual expenses incurred in traveling to official meetings of the county board and in the performance of the official business of the county board. The amount of one hundred dollars (\$100), or so much thereof as is needed, shall be allowed annually from the county general school fund for this purpose. If, in the judgment of the county judge and the unanimous opinion of the members of the county board, additional funds are necessary, an additional one hundred dollars (\$100) may be allowed annually.~~

~~(i) Any person elected or appointed to serve as a member of the county board on or before July 1, 2000, may complete the term for which the person was elected and shall hold office until a successor has been appointed and qualified.~~

SECTION 13. Effective July 1, 2004, Arkansas Code § 6-12-302 is repealed.

~~6-12-302. Members — Counties with only one school district.~~

~~(a) In counties having only one (1) school district, the board of directors of that district shall act as the county board of education.~~

~~(b)(1) Each county board of education may hire the staff it deems necessary and establish the salaries for that staff.~~

~~(2) The county board shall not hire a county school supervisor or county board designee after the termination of employment of the county school supervisor or county board designee employed after December 31, 1998.~~

SECTION 14. Effective July 1, 2004, Arkansas Code § 6-12-303 is repealed.

~~6-12-303. Oath.~~

~~(a) Within fifteen (15) days after the election or appointment, each elected or appointed member of the county board of education shall subscribe in writing to the following oath:—"I _____, do hereby solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will not be financially interested, directly or indirectly, in any contract made by the county board of which I am a member, or by any board of school directors of the county, except for contracts for materials bought on open competitive bid and let to the lowest bidder conforming to specifications; and that I will faithfully discharge the duties of a member of the county board of education, upon which I am about to enter."~~

~~(b) The county clerk, upon receipt of the oaths for the county board members, shall immediately commission these persons, and they shall enter at once upon their duties as members of the county board.~~

SECTION 15. Effective July 1, 2004, Arkansas Code § 6-12-304 is repealed.

~~6-12-304. Meetings.~~

~~(a) The county board of education shall meet on the fourth Tuesday of March, June, September, and December of each year and at other times as meetings may be adjourned to or on call of the chairman, the county school supervisor or county board designee, or any three (3) members of the county board.~~

~~(b) Notice of called meetings must be given in writing to each member of the county board.~~

SECTION 16. Effective July 1, 2004, Arkansas Code § 6-12-305 is repealed.

~~6-12-305. Organization.~~

~~During the meeting on the fourth Tuesday of September, the members of the county board of education shall elect one (1) of its members as chair, and the county board shall designate an ex officio secretary of the board.~~

SECTION 17. Effective July 1, 2004, Arkansas Code § 6-12-306 is repealed.

~~6-12-306. Powers and duties.~~

~~(a) It shall be the duty of the county board of education to supervise and direct all of its employees in the performance of their duties.~~

~~(b) The county board's duties shall also include, but shall not be limited to, the following:~~

~~(1) To cause to be set aside from funds in the county general school fund amounts necessary for the expenses of the county board and of any designee;~~

~~(2) To appoint new members when a vacancy occurs on the county board;~~

~~(3) To terminate the position of the county supervisor or county board designee;~~

~~(4) To abolish the county board upon the termination of the county supervisor or county board designee; and~~

~~(5) To transfer to the respective county clerk, the respective county quorum court, the State Board of Workforce Education and Career Opportunities, the Department of Workforce Education, the State Board of Education, or the Department of Education, whichever may be appropriate, all records of the county board upon abolishment.~~

~~(c) In any county in which a county board is still in existence, the county board may enter into a written agreement with other county officials that would allow the county board or its employees to undertake any or all duties of county officials as they pertain to education or school districts administered in the county.~~

SECTION 18. Effective July 1, 2004, Arkansas Code § 6-12-307 is repealed.

~~6-12-307. Appeal — Bond.~~

~~(a) Any person being a party to the record or proceeding in a matter brought before any county board of education who feels aggrieved by any final order or decision of the county board may prosecute an appeal from any final order or decision, provided the person shall within thirty (30) days from the date of the final order or decision complained of:—~~

~~(1) Make an affidavit that the appeal taken from the final order or decision of the county board is not taken for the purpose of delay; and—~~

~~(2) Enter into a bond with good and sufficient surety thereon in the sum as shall be ordered by the county board, not to exceed twice the amount involved in the appeal. Where no money or property is involved in the proceeding from which the appeal is prosecuted, the appeal bond should be given by the appellant in a sum that will protect the appellee and the county board from payment of cost, which amount shall be endorsed by the secretary of the county board on the affidavit of the appellant in a sum to be fixed by the county board.—~~

~~(b) The appeal herein provided shall be to the circuit court of the district or division in which the county board shall be sitting at the time of the final decision or order complained of.—~~

SECTION 19. Effective July 1, 2004, Arkansas Code § 6-12-308 is repealed.

~~6-12-308. Credentials.~~

~~(a)(1) If a county had a full-time county school supervisor or county board of education designee on January 1, 1999, who was not employed more than fifty percent (50%) of the time in other employment or duties other than as county school supervisor or county board of education designee, the county board may continue to employ that person to be county school supervisor or county board designee; and—~~

~~(2)(A) The county board may contract with that person for service for a term of one (1) or two (2) years, subject to reemployment, provided that no spouse of a member of the county board nor any person related within the fourth degree of consanguinity or affinity to any member of the county board shall be eligible for employment.—~~

~~(B) Any employment contract between the county and a county school supervisor or county board designee shall contain a provision~~

~~to allow termination of the contract without penalty if the position is terminated because the county board is abolished.~~

~~(b) The county boards of education shall have the power and authority to abolish the office of the county school supervisor or county board designee in their respective counties.~~

~~(c) Upon the termination of employment of the county school supervisor or county board designee whose employment was continued pursuant to the conditions set forth in subsection (a) of this section or upon the abolishment of the office of the county school supervisor or county board designee in their respective counties, the county board shall not replace the county school supervisor or county board designee, and the county board of education shall be abolished.~~

SECTION 20. Effective July 1, 2004, Arkansas Code § 6-12-309 is repealed.

~~6-12-309. Duties of county school supervisor or county board of education designee.~~

~~The county school supervisor or county board of education designee shall devote his or her entire time to the position of county school supervisor or county board designee, which position includes the faithful performance of the following duties and other duties as may be properly delegated to the supervisor or designee:-~~

~~(1) The county school supervisor or county board designee shall be the executive officer of the county board and shall, if possible, attend all meetings of the county board but shall not have the right to vote;-~~

~~(2) As ex officio secretary of the county board, the county school supervisor or county board designee shall:-~~

~~(A) Keep a record of all meetings and of all business transactions of the county board and shall, together with the chair of the board, sign the record at the close of each business meeting;-~~

~~(B)(i) Keep a permanent copy of the record of the county board meetings and prepare a copy to be filed with the county clerk and kept by the county clerk in the same manner in which the county school supervisor or county board designee is required to keep the permanent records of the county.—~~

~~(ii) The clerk shall be entitled to no fee for the filing or keeping of the record; and~~

~~(C) Keep a permanent file of all necessary papers and legal transactions of the county board and, when called upon to do so, shall furnish anyone entitled thereto a certified copy of the file;~~

~~(3) The county school supervisor or county board designee shall record the certificates of teachers as required by law;~~

~~(4) The county school supervisor or county board designee shall be a representative of the State Board of Education and shall perform duties as may be required by the state board;~~

~~(5) The county school supervisor or county board designee shall keep a record of the contracts made with teachers;~~

~~(6) The county school supervisor or county board designee shall cooperate with the Department of Education in carrying out the budgetary regulations and procedures pertaining to county boards of education as are now, or may hereafter be, prescribed by the state board or by law; and~~

~~(7) The county school supervisor or county board designee may keep in the county school supervisor's or county board designee's office and file with the Board of Trustees of the Arkansas Teacher Retirement System and the State Board of Education not later than October 15 of each year a list of all teachers employed in the county for the ensuing year, setting forth the type of certificate held by each teacher, the teacher's monthly contract salary, whether the teacher is a member of the system, and other information as the state board may deem necessary.~~

SECTION 21. Effective July 1, 2004, Arkansas Code § 6-12-310 is repealed.

~~6-12-310. Failure to perform duties.~~

~~The failure of the county school supervisor or county board of education designee to perform any duties provided by law or any which may be imposed upon the county school supervisor or county board designee by the county board shall be sufficient cause for the county school supervisor's or county board designee's discharge and the termination of the county school supervisor's or county board designee's contract.~~

SECTION 22. Effective July 1, 2004, Arkansas Code § 6-12-311 is repealed.

~~6-12-311. Salary.~~

~~(a) Each county board of education is authorized to determine, at its discretion, the salary of the county school supervisor or county board of education designee and allowances for travel, clerical, office, and other expenses.~~

~~(b) For this purpose, the chair shall call a meeting in June each year for the consideration of these matters.~~

~~(c) All allowances for office expense, travel, and clerical help shall be based upon detailed budgets submitted by the county school supervisor or county board designee and approved by the county board.~~

~~(d) With the approval of the county board, the county school supervisor or county board designee is authorized to select clerical and other assistants as are necessary.~~

~~(e) The allowances to the county school supervisor or county board designee and members of the county board for travel expense, meals, and hotels shall not be in excess of the allowance for state employees.~~

~~(f) All funds provided in this section shall be set aside from the unapportioned county general school fund to a special fund by the county treasurer. Payments from this special fund shall be made only upon presentation of invoice statements, itemized expense accounts, and payrolls upon vouchers signed by the county school supervisor or county board designee and the chairman of the county board when vouchers properly executed are presented to the county clerk and approved by the county school supervisor or county board designee and the chairman of the county board.~~

SECTION 23. Effective July 1, 2004, Arkansas Code § 6-12-312 is repealed.

~~6-12-312. Spouse as employee.~~

~~No spouse of any member of the county board of education or of the county school supervisor or county board designee nor any person related within the fourth degree of consanguinity or affinity to any member of the county board or to the county school supervisor or county board designee shall be eligible for employment as clerical help in the office of the county school supervisor or county board designee.~~

SECTION 24. Effective July 1, 2004, Arkansas Code § 6-12-313 is repealed.

~~6-12-313. Candidacy for public office.~~

~~The county school supervisor or county board of education designee shall not be a candidate for public office during the term of the county school supervisor's or county board designee's contract and shall not be granted leave of absence for that purpose.~~

SECTION 25. Effective July 1, 2004, Arkansas Code § 6-12-314 is repealed.

~~6-12-314. Office at county seat.~~

~~The quorum court shall supply the county school supervisor or county board of education designee with a suitably equipped office at the county seat.~~

SECTION 26. Arkansas Code § 6-13-101 is repealed.

~~6-13-101. Only one kind of school district.~~

~~(a) There shall be only one (1) kind of school district in this state, and each shall have the same prerogatives, powers, duties, and privileges as herein set forth.~~

~~(b) All school districts which may be hereafter created shall be the same kind, with the same prerogatives, powers, duties, and privileges as provided by law.~~

SECTION 27. Arkansas Code § 6-13-102 is amended to read as follows:

6-13-102. Body corporate - Name.

(a) Each school district in the state shall be a body corporate, may contract and be contracted with, and may sue and be sued in its corporate name, which shall be the name ~~it now has unless changed~~ established by the State Board of Education on July 1, 2004, unless subsequently changed by the state board.

(b) The state board in naming school districts shall name them, " Provisional School District ~~No.~~ of County", or School District of County", giving each district a name and showing the name of the county in which situated, and if it has territory

in more than one (1) county, then the name of the county that is the domicile of the district.

(c) A certificate showing the name authenticated by the state board shall be filed with the county clerk of the county or of each county in which there is any territory of the district and by him inscribed in a book kept by him for that purpose.

(d) All school districts shall have the right to acquire and hold real estate and all other classes of property.

SECTION 28. Arkansas Code § 6-13-106 is amended to read as follows:

6-13-106. ~~Districts where no high school is maintained~~ High schools.

(a)(1) Any school district in this state ~~wherein~~ in which a high school ~~facilities are~~ is not maintained may contract with another school district for the furnishing of high school facilities for the pupils of that district upon such terms and conditions as ~~to the respective board of directors~~ State Board of Education may ~~appear~~ find reasonable and proper.

~~(b)~~ (A) These districts are authorized to pay, for the facilities, and the tuition of such pupils out of ~~the school fund apportioned to the districts from the Public School Fund of the State of Arkansas~~ any combination of non-restricted federal, state, and local funds.

~~(c)~~ (B) These school districts may also contract and provide for the transportation of pupils.

SECTION 29. Arkansas Code Title 6, Chapter 13, Subchapter 1 is amended to add eleven (11) additional sections to read as follows:

6-13-111. Classes of school districts.

(a) There shall be one (1) class of school district in this state and each district shall have the same prerogatives, powers, duties, and privileges as provided by law.

(b)(1) Provisional School Districts:

(A) As of January 1, 2004, any school district that existed in the state before that date shall become provisional school districts. Provisional school districts shall have provisional right to prerogatives, powers, duties, and privileges as provided by law, until such time as a review of the provisional school district's ability to meet the requirements as set forth in law or State Board of Education rule and regulations.

(B) Effective July 1, 2004, any provisional school district failing to meet the requirements set forth in this section shall be consolidated, annexed, or reconstituted as determined by the State Board of Education.

(C) Effective July 1, 2004, every provisional school district will be reclassified as a school district, as provided in subsection (2) or shall cease to exist.

(2) School Districts:

(A) Any provisional school district that existed in this state prior to July 1, 2004 and had an average daily membership in grades kindergarten through twelve (k-12) for the 2003-04 school year of five hundred (500) or higher, shall be re-designated as a school district.

(B) After the effective date of this Act, any school district that has an average daily membership in grades kindergarten through twelve (k-12_) of less than five hundred (500) shall be dissolved prior to the start of the next school year and merged with one or more other school districts in such a manner as to ensure that the resulting school district or school districts have a minimum average daily membership in grades kindergarten through twelve (k-12_) of seven hundred (700).

(c)(1) Upon the effective date of this act, the State Board of Education shall have sole authority to determine the boundaries of the merged provisional school districts.

(2) Pursuant to Section 114 of this act, the State Board of Education shall give consideration to the recommendations of the local school boards when determining the boundaries of the merged provisional school districts.

(d) In determining the boundaries of new districts, the State Board of Education need not abide by either county boundaries or boundaries of provisional school districts or school districts.

(e) In determining the boundaries of a school district, the State Board of Education shall bear in mind the demographics of the school districts in a manner as to not promote or foster racial segregation of the public education system in Arkansas.

(f) Upon the effective date of this act, the State Board of Education shall have sole power to determine the need for and location of any new high

school to be located in a school district upon petition of the school board of the school district.

6-13-112. Failure to meet standards.

(a) The State Board of Education may reorganize any school district that fails to meet the curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements as determined by the Department of Education and the Arkansas General Assembly.

(b)(1) The board shall have complete authority to reorganize a school district under subsection (a) in any manner that the board determines is necessary.

(2) To reorganize a school district the board may consolidate, annex, merge, or detach part of the school district with one (1) or more other school districts or the dissolution of the school district into multiple school districts.

(c) If a school district fails to meet curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements in any given year, the Director of the Department of Education shall take immediate action to correct the situation, including, but not limited to, removal of the superintendent.

(d) Upon the effective date of this act, any school district that fails to meet curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements as determined by the Arkansas State Board of Education or set forth in law.

6-13-113. Closure of schools.

Subsequent to reorganization instituted by this Act and the completion of efficiency, adequacy, and facilities studies, only the State Board of Education may close any school due to continued poor performance by students or failure to meet curriculum, accreditation, facility, or efficiency standards and teacher salary requirements. Recommendations of school district boards of directors and school superintendents shall be considered in any deliberations of the State Board of Education.

6-13-114. Title.

This subchapter shall be known and may be cited as the "Administrative Accountability Law".

6-13-115. Purpose.

The purpose of this subchapter shall be to assist the State Board of Education and the Department of Education to provide substantially equal educational opportunities to all students.

(b) For the purposes of this subchapter, as the case shall require, these terms shall have the following meaning;

(1) "School board member" means a member of a school district board of directors as defined in Title 6, Chapter 13, Subchapter 6 of the Arkansas Code or the member of a board of directors of an education service center as defined in § 6-13-1603; and

(2) "School Superintendent" means a superintendent of a public school district as defined in § 6-13-109 or the director of an education service center as defined in § 6-13-104.

6-13-116. Rules and regulations- State Board of Education.

(a)(1) By July 1, 2004, the State Board of Education shall promulgate rules and regulations to establish and implement a program for identifying, evaluating, and addressing actions or violations by a school superintendent or education service center director that jeopardize the fiscal or academic integrity of a school or school district under § 6-17-410.

(2) Actions or violations by a school superintendent that jeopardize the fiscal or academic integrity of a school or school district may include, but are not limited to, violations of Arkansas or federal law, rules and regulations, and reporting requirements.

(b)(1) By July 1, 2004, the State Board of Education shall promulgate rules and regulations to establish and implement a program for identifying, evaluating, and addressing actions or violations by a school board director or education service center director that jeopardize the fiscal or academic integrity of a school or school district.

(2) Actions or violations by a school board director or education service center director that jeopardize the fiscal or academic integrity of a school or school district may include, but are not limited to, violations of Arkansas or federal law, rules and regulations and reporting requirements.

(c) If the Department of Education determines that any school superintendent, education service center director or school board director has committed an action or violation that may jeopardize the fiscal or academic integrity of a school, education service center, or school district, a written notice of the board's finding shall be submitted in writing via certified mail to that individual and the school district board of directors, or education service center executive committee members.

(d)(1) The school superintendent under § 6-17-410, education service center director, or school board director under this subchapter may appeal to the State Board of Education concerning any determination or any ruling by the department as allowed for under subsection (c) of this section.

(2) Any appeal under this subchapter must be made within fifteen (15) days of the department's ruling, and the State Board of Education shall act on the appeal within sixty (60) days of receipt of the appeal.

(3) Any decision of the State Board of Education may be appealed within thirty (30) days to the Pulaski County Circuit Court or the Circuit Court which has jurisdiction over where the main domicile of the school district is located, under the Administrative Procedures Act.

6-13-117. Enforcement.

(a) The State Board of Education, using the same procedure as required under § 6-17-410 for cause, may revoke, suspend, or place on probation the professional license of the superintendent or education service center director based on the action or violation that jeopardizes the fiscal or academic integrity of the school or school district.

(b) In the case of a school board director, the State Board may, at a public hearing using procedures required in this subchapter, determine whether a school board director is unqualified to hold the school board position to which the director was elected under § 6-13-637.

6-13-118. Superintendent contract.

(a) Every school superintendent contract with a public school district shall require that the terms and conditions of the contract shall become void upon the revocation or suspension of the school superintendent's license and that the terms and conditions of the contract shall become voidable at the

option of the district if the school superintendent's license is placed on probationary status under § 6-17-410.

(b) A superintendent contract with a public school district shall not be for a term greater than three (3) years.

(c) No contract between a superintendent and a public school district shall provide any greater right or claim of employment or compensation beyond those rights allowed by this subchapter.

6-13-119. School board director qualifications.

(a) No person shall have any qualification or right to hold an elected school board position beyond the terms and conditions of this subchapter.

(b) The Director of the Department of Education may request the Attorney begin usurpation of office action under § 16-118-105 against any school board director identified by the State Board of Education as unqualified for office, but who refuses to vacate the office.

6-13-120. Establishment of new school board.

(a) If the majority of the board of directors are determined to not be qualified to hold office and are removed, the Department of Education may call for the election of a new school board for the district.

(b) If an election is called under this section, the district shall reimburse the county board of election commissioners for election costs as otherwise required by law.

SECTION 30. Effective July 1, 2004, Arkansas Code §§ 6-13-604 is repealed.

~~6-13-604. Districts with five or more directors — Increase in number.~~

~~(a) The board of directors of any school district in this state which now has or which is authorized to have five (5) or more directors may file a petition with the State Board of Education requesting an increase in the number of directors for such district to any number not to exceed seven (7). Provided, in any school district in the state having an average daily attendance of twenty four thousand (24,000) or more, the petition may request that the board of directors for the district be increased to nine (9) members.~~

~~(b) Notice of the filing of such petition shall be published within ten (10) days thereafter for one (1) insertion in some newspaper having a general circulation in the district.~~

~~(c) Upon a showing that the increase will be for the benefit of the district petitioning for it, the State Board of Education is authorized to increase the number of directors for such district to any number not to exceed seven (7) or not to exceed nine (9) in the case of a school district having an average daily attendance of twenty four thousand (24,000) or more.~~

~~(d) The order directing such increase shall be entered not more than sixty (60) days after the publication of notice.~~

~~(e) The additional directors shall be appointed in the manner prescribed by law to serve until the next regular school election.~~

~~(f) All directors so appointed shall serve until their successors are elected and qualified.~~

~~(g) The additional directors authorized by this section shall be elected for the same term as other directors on the respective boards.~~

SECTION 31. Effective July 1, 2004, Arkansas Code §§ 6-13-606 is repealed.

~~6-13-606. Districts with more than five directors — Decrease in number.~~

~~(a) The board of directors of any school district in this state which now has or which is authorized to have more than five (5) directors may file a petition with the State Board of Education requesting a decrease in the number of directors for that district to any number not fewer than five (5).~~

~~(b) Notice of the filing of the petition shall be published within ten (10) days thereafter by one (1) insertion in some newspaper having a general circulation in the district.~~

~~(c) Upon a showing that such decrease will not be detrimental to the district petitioning for it, the state board is authorized to decrease the number of directors for the district to any number not fewer than five (5).~~

~~(d) The order directing such decrease shall be entered not more than sixty (60) days after the publication of notice.~~

~~(e) Pursuant to the order and as soon as possible thereafter, the members of the board of directors shall draw by lot for the number of positions determined.~~

~~(f) The remaining directors shall continue to serve their unexpired terms.~~

SECTION 32. Effective July 1, 2004, Arkansas Code §§ 6-13-608 is repealed.

~~6-13-608. Length of directors' terms.~~

~~(a) All members of a school district board of directors shall be elected to a term of office of not less than three (3) years nor more than five (5) years in length and with the expiration of such terms so arranged that, as nearly as possible, an equal number of positions are filled each year. All members of a school district board of directors shall have terms of office of equal length.~~

SECTION 33. Effective July 1, 2004, Arkansas Code §§ 6-13-611

~~6-13-611. Vacancies generally.~~

~~(a) If a vacancy occurs on the school district board of directors, the vacancy shall be filled by a majority vote of the remaining directors.~~

~~(b) If, as a result of several vacancies on the board, only a minority of the directors remain or if the remaining directors fail to fill vacancies within thirty (30) days, the vacancies shall be filled by appointment by the county quorum court.~~

~~(c) All appointed directors shall serve only to the next annual school election, at which time the electors shall select in the usual manner directors to serve the unexpired terms of the vacating directors.~~

SECTION 34. Effective July 1, 2004, Arkansas Code §§ 6-13-612 is repealed.

~~6-13-612. Vacancy—Conviction of felony.~~

~~(a) When a member of the board of directors of any school district in this state is convicted of a felony, a vacancy shall exist on that board of directors from the date of the final judgment of conviction.~~

~~(b) The prosecuting attorney who successfully prosecutes a school district board member for a felony shall immediately notify the remaining members of that board of the fact of the conviction and of the existence of a vacancy on the board of directors of the school district.~~

~~(c) The remaining members of the board of directors of the school district shall at their next regular meeting select a person to fill such vacancy until the next regular school election, at which election a successor member shall be elected for the remaining portion of such term.~~

SECTION 35. Effective July 1, 2004, Arkansas Code §§ 6-13-613 is repealed.

~~6-13-613. Temporary vacancies — Vacancies created by failure to participate.~~

~~(a) In cases where directors have entered the services of the armed forces of the United States or its allies, temporary vacancies on such boards are declared to exist until the end of the terms of the members or until their return to civilian life in the district if their return occurs before the expiration of their elected terms.~~

~~(b) These vacancies shall be filled in the manner prescribed by law, except that appointments of the successors shall be conditional upon the return of the members to resume their normal civilian activities in the district. Upon return, they may resume their duties as directors for their unexpired terms by written notice to the secretaries of their respective school boards.~~

~~(c) Directors appointed under the provisions of this section shall take the required oath of office and conform in all respects to legal provisions regarding directors.~~

~~(d) It shall be the duty of the secretary of the school board to notify the county clerk of such appointments within five (5) days of the appointment if made by the local board. This notice shall state the name of the person whom the appointee is succeeding and the expiration date of the term of office.~~

~~(e) Directors serving in the armed forces shall be eligible for reelection in the usual manner prescribed by law. If reelected, the procedure for filling the temporary vacancies provided herein shall be again followed in the appointment of the successors to the absentees, and all other provisions of this section shall prevail.~~

~~(f) Should a local school board member accept employment at a distance from the school district such that it renders the maintenance of his residence in the district impossible or impracticable, should he remove his~~

~~actual, bona fide residence outside the district boundaries, on other than a temporary basis, should he fail to attend a meeting of the school board for over a period of ninety (90) days, his office as a school board member, and any positions held thereon, may be declared vacant by a majority vote of the remaining school board members, and his successor shall be appointed as prescribed by law.~~

~~(g) If there is a majority of the directors left after the absences mentioned in this section, such majority may act without notice to those so absent as fully and as effectively as if all directors were present.~~

~~(h) If there is more than a majority remaining after such absences, notice must be given for a reasonable length of time before the meeting to directors not so absent of the time, place, and purpose of a meeting of the board, unless the meeting is a regular and not a special or called meeting.~~

SECTION 36. Effective July 1, 2004, Arkansas Code §§ 6-13-615 is repealed.

~~6-13-615. Local option to elect directors from single member zones.~~

~~(a)(1) Qualified electors of a school district may, by petition, have placed on the ballot of any annual school election the issue to determine whether to elect the school district board of directors from single member zones.~~

~~(2) The petitions calling for such an issue to be placed on the ballot shall be signed by not less than ten percent (10%) of the qualified electors of the district, based upon the total number of registered voters in the district.~~

~~(3) The petitions may be circulated between ninety (90) days and forty five (45) days prior to the election date.~~

~~(4) The petitions shall be filed with the county election commission of the county in which the largest portion of the school district lies.~~

~~(b)(1) Within ten (10) days of the receipt and verification of the sufficiency of the petitions, the county election commission shall notify the board of directors of the affected school district that the issue shall be placed on the ballot of the next school election.~~

~~(2) The county election commission shall specify the wording of the ballot to be used to determine whether to elect the school district board of directors from single-member zones.~~

~~(c) If a majority of the qualified electors of the school district shall vote for the election of the school district board of directors from single-member districts, the county election commission of the county in which the largest portion of the school district lies shall establish, within the school district, boundaries for the election of directors of the school board which shall have substantially equal population based on the most recent available census information and from which racial minorities may be represented on the board in proportions reflected in the district population as a whole.~~

~~(d) The members of the board of directors of the school district shall be elected for a three-year term. Provided, any member of the board shall hold office until his successor has been elected and qualified. A member of the board who is qualified to serve the zone he represents may succeed himself.~~

~~(e)(1) Following the election, the new school district board of directors at their initial meeting shall, by lot, establish their initial terms so that an equal number of positions are filled each year and not more than three (3) members' terms expire each year.~~

~~(2) The regular term of office for the school district board of directors elected after the initial election following the decision to elect from single-member zones shall be the same as the term of the school district board of directors of the district prior to the change in the method of election of the school district board of directors.~~

SECTION 37. Effective July 1, 2004, Arkansas Code §§ 6-13-616 is repealed.

~~6-13-616. Qualifications of directors.~~

~~(a) Except as provided in subsection (c) [repealed] of this section, no person shall be eligible to be a member of any school district board of directors in this state unless he is a qualified elector of the school district which he serves.~~

~~(b) No person who is elected to a school district board of directors shall be eligible for employment in that same school district.~~

~~(c) [Repealed.]~~

SECTION 38. Effective July 1, 2004, Arkansas Code §§ 6-13-617 is repealed.

~~6-13-617. Oath.~~

~~(a) Each director elected or appointed shall, within ten (10) days after receiving notice of his election or appointment, subscribe to the following oath:—~~

~~"I, _____, do hereby solemnly swear or affirm, that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will not be interested, directly or indirectly, in any contract made by the district of which I am a director, except as permitted by state law and that I will faithfully discharge the duties as school director in _____ School District, No. _____ of _____ County, Arkansas, upon which I am about to enter."—~~

SECTION 39. Effective July 1, 2004, Arkansas Code §§ 6-13-618 is repealed.

~~6-13-618. Organization — Disbursing officer.~~

~~(a) At the first regular meeting following the annual school election, the board of directors of each school district shall organize by electing:—~~

~~(1) One (1) of their number president;—~~

~~(2) One (1) of their number vice president; and—~~

~~(3) A secretary who may be, but need not be, a member of the board.—~~

~~(b)(1) By resolution adopted by majority vote, the board shall designate one (1) of its members who shall serve as the primary board disbursing officer of the district.—~~

~~(2) In addition, the board may designate one (1) or more board members as an alternate board disbursing officer or officers in the absence of the designated primary board disbursing officer.—~~

~~(3) Such a resolution must be filed with the county treasurer and the Director of the Department of Finance and Administration.—~~

~~(c) No warrant or check other than food service or activity funds warrants or checks shall be valid in the absence of the following manual or facsimile signatures:-~~

~~(1) That of the designated board member serving as disbursing officer for the district or the designated alternate; and~~

~~(2) That of the superintendent of the school district.~~

SECTION 40. Effective July 1, 2004, Arkansas Code §§ 6-13-619 is repealed.

~~6-13-619. Meetings.~~

~~(a)(1) The board of directors shall hold regular monthly meetings during the school term and shall meet on call of the president or secretary or any three (3) members of the board or when petitioned to do so by a petition in writing signed by fifty (50) electors in the district.~~

~~(2) Regular meetings of the school board and all school board committees, and special meetings of the school board and school board committees that deal with personnel or personnel policies, shall, except in emergency situations, be held after 5:00 p.m.~~

~~(b)(1) Minutes of regular and special meetings of the school board shall be kept by the secretary of the board and filed by him in a permanent record.~~

~~(2) This record shall also contain a copy of all budgets of the district and all reports of the county treasurer on the financial affairs of the district.~~

~~(c)(1)(A) A majority of a quorum voting affirmatively shall be required for the passage of any motion or resolution.~~

~~(B) Any member who abstains from voting shall be counted as having voted against the motion or resolution.~~

~~(C) If a member announces a conflict of interest with regard to the issue, the member may leave the meeting until the voting on the issue is concluded, and the member who abstains from voting thereby shall not be counted as having voted.~~

~~(2) For the purposes of this section, a quorum shall be a majority of the membership of the board.~~

~~(d)(1) Any member of the board who misses three (3) regular and consecutive board meetings during a school year for any reason other than~~

~~military service of the member or illness of the member verified by a written sworn statement of the member's attending physician may be removed from office by a majority vote of the remaining board members, but only after an opportunity for a hearing before the board upon fifteen (15) days notice received by personal delivery or by certified mail with the return receipt signed by the addressee only requested.~~

~~(2) If the board takes action to remove the member from office, the remaining members shall then appoint another individual to serve until the next annual school election, when electors shall select in the usual manner a director to serve the unexpired term of the removed member.~~

SECTION 41. Effective July 1, 2004, Arkansas Code §§ 6-13-620 is repealed.

~~6-13-620. Powers and duties.~~

~~(a) Except as prohibited under subsections (b) and (c) of this section, the board of directors of each school district in the state shall be charged with the following powers and perform the following duties:-~~

~~(1) Have the care and custody of the schoolhouse, grounds, and other property belonging to the district and shall keep it in good repair and in sanitary and sightly condition;-~~

~~(2) Lease sixteenth section lands located in the school district, individually or in conjunction with the other boards of directors of other school districts interested in the sixteenth section, as the case may be;-~~

~~(3) Purchase buildings or rent schoolhouses and sites therefor and sell, rent, or exchange the sites or schoolhouses;-~~

~~(4)(A) Employ teachers and other employees necessary for the proper conduct of the public schools of the district and make written contracts with teachers and all other employees in the form prescribed by the State Board of Education.-~~

~~(B) There shall be four (4) copies of each contract made:-~~

~~(i) One (1) copy to be retained by the board;-~~

~~(ii) One (1) copy to be given to the employee;-~~

~~(iii) One (1) copy to be forwarded to the county treasurer if the county treasurer serves as treasurer for the school district; and-~~

~~(iv) One (1) copy to be filed with the county clerk.—~~

~~(C) The issuing of annual contracts to personnel other than substitute teachers employed on a daily basis and teachers shall be in writing and shall recite the duration of employment, specific duties, and annual salary;—~~

~~(5) See that all subjects for study prescribed by the state board or by law for all grades of schools in their district are taught;—~~

~~(6) Visit classrooms frequently, but no less than annually, in the schools in their district while children are present, see to the welfare of the pupils, encourage them in their studies, and assist the teachers in the work so far as they can;—~~

~~(7) Prepare and publish the district's budget for the ensuing year, in accordance with § 6-13-622;—~~

~~(8) Issue warrants on the county treasurer, when the county treasurer serves as treasurer of the school district, in accordance with the provisions of this act for the payment of salaries due teachers and other employees and for any other lawful purposes and state in the warrants the consideration for which each is drawn, provided that the issuance of the warrants for the purposes set out in subdivision (10) of this section shall be governed by the penalty therein set out. The warrant shall be in the form approved by the state board;—~~

~~(9) Obtain from the county collector and county treasurer information from time to time as to the state of finances of their school district and keep their expenditures safely within the means of the district;—~~

~~(10)(A) Buy and pay for out of district school funds supplies such as fuel, crayons, charts, globes, dictionaries, etc. which may be necessary for the efficient operation of the schools, provided, no warrants shall be issued by any school board for the payment of the supplies or services set out in this subdivision (10) until the supplies or services shall have been delivered to the school.—~~

~~(B) If any school board or any part of the directors of any school board in the State of Arkansas shall issue warrants in payment of supplies or services prior to the delivery of the supplies or services to the school and if the school district suffers any loss because of the failure of~~

~~the seller to deliver the supplies or services or because of the defective quality of the supplies or services or for any other reason, then the directors shall be personally liable to the school district for the total amount of loss suffered by the district;—~~

~~(11)(A) If in any school district it should be apparent that the schools cannot be operated for the remainder of the school year without incurring more indebtedness than that represented by outstanding bonds and those that may be issued for buildings, equipment for the school buildings, purchasing sites, and repairing school buildings or the improvement of sites, it shall be the duty of the school board to close the school and cease paying the teachers for the remainder of that fiscal year. Each contract made with the teachers shall be subject to that contingency, and the district shall not be liable for teachers' salaries for the time the school is so closed.—~~

~~(B) Should any director participate in keeping a school open and incurring additional expenses which would cause increased indebtedness of the district prohibited in this subdivision (11), he or she shall be liable personally for the amount of the additional indebtedness.—~~

~~(C) However, in cases of emergency, the state board may grant special permission to a district to create temporary current indebtedness.—~~

~~(D) Nothing herein shall prevent any school board from borrowing money from banks, from individuals, or from next year's revenue in order to provide funds in such amount that the maximum nonbonded indebtedness of its school district so incurred shall not be greater than the maximum nonbonded indebtedness of the district was at any time during the preceding fiscal year.—~~

~~(E) If any nonbonded debt is funded by the issuance of bonds, the amount so funded shall not be considered in determining the maximum amount of nonbonded indebtedness during the preceding fiscal year;—~~

~~(12) Do all other things necessary and lawful for the conduct of efficient free public schools in the district;—~~

~~(13) Publish on the district's website if the district has a website;—~~

~~(A) Minutes of regular and special meetings of the school board;—~~

~~(B) The budget for the ensuing year;—~~

~~(C) Financial breakdown of monthly expenses of the district;~~

~~(D) Salary schedule for all employees;~~

~~(E) The school district's yearly audit; and~~

~~(F) The annual statistical report; and~~

~~(14) If a district does not have a website, then on or before July 1, 2003, the district's educational cooperative shall develop a website for the district or the cooperative shall enter into an agreement with a local city, county, or other local governmental agency to have the district's information as required in subdivision (13) of this section published on an existing local city, county, or other local governmental agency's website.~~

~~(b) Beginning on July 16, 2003, through July 1, 2004, notwithstanding any other provision of law, no school board of any public school or any governing body of a charter school or an educational cooperative shall enter into any contractual or project obligation exceeding seventy five thousand dollars (\$75,000) or one percent of the district's total state and local revenues for additional base funding, as defined on lines 15 and 16 of the Department of Education's May 16, 2002 State Aid Notice, whichever is greater, for the purchase, sale, construction, improvement, or repair of equipment, facilities, motor vehicles, buildings, or real property sites without the prior written approval of the state board or the Director of the Department of Education as allowed in emergency situations.~~

~~(c) Beginning on July 16, 2003, through July 1, 2004, notwithstanding any other provision of law, no school board of any public school district or charter school shall enter into any personal, professional, or other service contract on behalf of the school district for a time period greater than one (1) year without prior written approval of the state board.~~

~~(d) Subsections (b) and (c) of this section shall not apply to:~~

~~(1) Currently binding contractual obligations;~~

~~(2) Enforceable court-ordered mandates;~~

~~(3) Contracts entered into in connection with a bond issuance or a project financed with an issuance of bonds previously approved by the state board as required by law; or~~

~~(4) Regularly scheduled maintenance projects.~~

SECTION 42. Effective July 1, 2004, Arkansas Code §§ 6-13-621 is repealed.

~~6-13-621. Authority to convey section lands.~~

~~The board of directors of each school district in this state shall hereafter have authority to convey any of the district's sixteenth section lands in exchange for any other land which would be more beneficial to the district.~~

SECTION 43. Effective July 1, 2004, Arkansas Code §§ 6-13-622 is repealed.

~~6-13-622. Publication of budget.~~

~~(a) The requirement of Arkansas Constitution, Amendment 40, for publication of the budget shall be discharged by the board of directors of each school district by publication of its budget one (1) time in some newspaper published in the county in which the district lies or, if the district lies in more than one (1) county, in the county in which the district is administered.~~

~~(b) The publication shall be made not less than sixty (60) days before the school election at which the annual ad valorem property tax for the district is decided by the electors.~~

SECTION 44. Effective July 1, 2004, Arkansas Code §§ 6-13-623 is repealed.

~~6-13-623. Legal proceedings — Employment of counsel.~~

~~(a) Notwithstanding any provision of law, the governing authority of any school district in the State of Arkansas is authorized to employ legal counsel to defend it, any member thereof, or any school official in any legal proceeding to which the board of directors, any member thereof, or any school official may be a defendant, which such proceeding is instituted against it, or against any member thereof, by virtue of his actions in connection with his duties as such member.~~

~~(b) All costs, expenses, and liabilities of proceedings so defended shall be a charge against the school district and paid out of funds provided by the governing body of the school district.~~

SECTION 45. Effective July 1, 2004, Arkansas Code §§ 6-13-624 is repealed.

~~6-13-624. Oil, gas, and mineral leases.~~

~~(a) The directors of any common or special school district of this state shall have full and complete authority without any authorization by electors of the district to execute and deliver oil, gas, and mineral leases upon the lands of the district, which leases are to contain such terms and are to be given for such consideration as is acceptable to the directors.~~

~~(b) Any and all oil, gas, and mineral leases covering lands of any such school district, hereafter executed by the directors of the district, shall be valid and effectual and binding on the district.~~

~~(c) All oil, gas, and mineral leases covering the lands of any common or special school district of this state which have been made and executed by the directors of the district are declared to be binding on the district and effectual for all the purposes therein set out.~~

SECTION 46. Effective July 1, 2004, Arkansas Code §§ 6-13-624 is repealed.

~~6-13-625. Liability insurance.~~

~~The boards of directors of the respective school districts of this state may, upon approval of the majority of the members thereof, purchase liability insurance to protect the individual members of the board of directors from legal liability for activities arising out of duties as a director, including liability arising out of alleged malfeasance, errors, omissions, wrongful acts not related to bodily injury or property damage, and other actions taken in the performance of their duties as directors. The board of directors may pay the premium on the liability insurance policy from funds belonging to the school district.~~

SECTION 47. Effective July 1, 2004, Arkansas Code §§ 6-13-626 is repealed.

~~6-13-626. Access of military recruiters to school facilities and records.~~

~~If the board of directors of a school district permits access to the school grounds, facilities, and records by any person or group of persons whose purpose is to make students aware of occupational and educational~~

~~options and opportunities, the board shall also permit such access on the same basis to official recruiting representatives of the military forces of the state and the United States to enable those representatives to inform students of educational and career opportunities available in the military.~~

SECTION 48. Effective July 1, 2004, Arkansas Code §§ 6-13-628 is repealed.

~~6-13-628. Purchases in small communities without bids.~~

~~Whenever any school in a school district in any county of this state having a population of less than six thousand (6,000), according to the most recent federal census, is located in a community in which there is only one (1) store selling school supplies or furnishings, the school district may purchase such supplies or furnishings from the store irrespective of any laws of this state regarding the taking of bids for school purchases or laws prohibiting the selling of supplies and furnishings to any school district by a member of the school district board of directors.~~

SECTION 49. Effective July 1, 2004, Arkansas Code §§ 6-13-629 is repealed.

~~6-13-629. Training and instruction — Reimbursement.~~

~~(a)(1) All members of a school district board of directors elected at each annual school election shall receive a minimum of six (6) hours training and instruction in the school laws of this state and in the laws governing the powers, duties, and responsibilities of school boards.~~

~~(2) This instruction may be received from an institution of higher learning in this state, from instruction sponsored by the Department of Education, or by an in-service training program conducted by the Arkansas School Boards Association.~~

~~(3) Any school board member completing a course of instruction shall receive a certification of completion, and a copy shall be entered into the minutes of the local school board on which he or she serves.~~

~~(4) Upon having completed the course of instruction meeting the minimum requirements of this section, it shall not be necessary for a school board member to take an additional course of instruction upon being reelected to the school board.~~

~~(b) Local school district boards of directors are authorized to pay per diem and other necessary expenses from funds belonging to the school district and to reimburse school board directors for expenses incurred in attending in-service workshops, conferences, and other courses of training and instruction required in completing a minimum of six (6) hours of instruction as required in subsection (a) of this section.~~

SECTION 50. Effective July 1, 2004, Arkansas Code §§ 6-13-630 is repealed.

~~6-13-630. Election by zone and at large.~~

~~(a) The board of directors of any school district shall have the authority to provide by resolution adopted by a majority vote that a portion of the board members shall be elected by zone, at large, or a combination thereof. A candidate for a position to be elected by zones shall reside in the zone. The names of the candidates for at large board positions shall appear upon the ballots throughout the district.~~

~~(b) The resolution adopted by the board shall prescribe the procedure for implementing the reorganization within four (4) years after the date of the passage of the resolution.~~

~~(c) Every such resolution adopted by the board of directors of such district shall adopt a plan of election for members of the board of directors which will cause the selection procedures to be in compliance with the federal Voting Rights Act of 1965.~~

~~(d) The board of directors of the school district shall cause the resolution to be published at least thirty (30) days prior to the filing deadline for the next regular school election after the adoption of the resolution.~~

SECTION 51. Effective July 1, 2004, Arkansas Code §§ 6-13-631 is repealed.

~~6-13-631. Effect of minority population on election.~~

~~(a) Beginning with the 1994 annual school election, the qualified electors of a school district having a ten percent (10%) or greater minority population out of the total population, as reported by the most recent federal decennial census information, shall elect the members of the board of~~

~~directors as authorized in this section, utilizing selection procedures in compliance with the federal Voting Rights Act of 1965, as amended.~~

~~(b)(1) At least ninety (90) days before the election, the local board of directors shall:~~

~~(A) By resolution, choose to elect board members from five (5) or seven (7) single-member zones or from five (5) single-member zones and two (2) at large; and~~

~~(B) With the approval of the controlling county board of election commissioners, divide each school district having a ten percent (10%) or greater minority population into five (5) or seven (7) single-member zones in accordance with the federal Voting Rights Act of 1965, as amended.~~

~~(2) Zones shall have substantially equal population, with boundaries based on the most recent available federal decennial census information.~~

~~(c) A board of directors choosing to elect board members by five (5) single-member zones and two (2) at-large positions may fill the two (2) at-large positions by drawing lots from among the current board members.~~

~~(d)(1)(A) A candidate for election from a single-member zone must be a qualified elector and a resident of the zone.~~

~~(B) A candidate for an at-large position must be a qualified elector and a resident of the district.~~

~~(2)(A) Except as provided in subsection (c) of this section, a district board member shall serve a five-year term.~~

~~(B) A term shall commence when the county court declares the results of the election by an order entered of record.~~

~~(e) At the first meeting of a new board of directors, the members shall establish initial terms by lot so that, to the extent possible, an equal number of positions are filled each year and not more than two (2) members' terms expire each year.~~

~~(f)(1) After each federal decennial census and at least ninety (90) days before the annual school election, the local board of directors, with the approval of the controlling county board of election commissioners, shall divide each school district having a ten percent (10%) or greater minority population into single-member zones. The zones shall be based on the most recent federal decennial census information and be substantially equal in population.~~

~~(2) At the annual school election following the rezoning, a new school board shall be elected in accordance with procedures set forth in this section.~~

~~(g)(1) The following school districts shall be exempt from the provisions of this section:~~

~~(A) A school district that is currently operating under a federal court order enforcing school desegregation or the federal Voting Rights Act of 1965, as amended;~~

~~(B) A school district that is operating under a preconsolidation agreement that is in compliance with the federal Voting Rights Act of 1965, as amended;~~

~~(C) A school district that has a zoned board meeting the requirements of the federal Voting Rights Act of 1965, as amended; and~~

~~(D) A school district that a federal court has ruled is not in violation of the federal Voting Rights Act of 1965, as amended, so long as the court order is in effect.~~

~~(2) A school district which on August 13, 1993, was in the process of defending a lawsuit brought under the federal Voting Rights Act of 1965, as amended, shall also be exempt from the provisions of this section until such time as the lawsuit has been finally resolved.~~

~~(3)(A) A school district released from operating under a federal court order enforcing school desegregation shall comply with the provisions of this section.~~

~~(B) The district shall use the most recent federal decennial census information to create zones pursuant to this section within one hundred eighty (180) calendar days after the release from the court order.~~

~~(h)(1) On or before August 1, 2002, and every decade thereafter, each and every school district shall submit to the Department of Education a letter stating whether or not its school board falls under this section. In that same letter, each school district that falls under this section shall state how it has complied with this section. Furthermore, in the same letter, any school district that believes that it is exempt from this section shall state under which provision it is exempt.~~

~~(2) The department shall withhold twenty percent (20%) of the annual state funds allocation to a school district not in compliance with this section.~~

~~(i) The State Board of Education is hereby authorized to adopt rules and regulations necessary for the implementation of this section.~~

SECTION 52. Effective July 1, 2004, Arkansas Code §§ 6-13-632 is repealed.

~~6-13-632. Adequate meeting facilities required.~~

~~(a) The board of directors of schools with an average daily membership of at least twenty five thousand (25,000) shall hereafter hold all school board meetings and public hearings in facilities that will adequately accommodate the disabled and the number of patrons anticipated to attend.~~

~~(b) If a single room is not large enough or adequate to accommodate the disabled and the number of patrons who attend, the board shall utilize closed circuit television or other means which will assure full participation by all in attendance.~~

SECTION 53. Effective July 1, 2004, Arkansas Code §§ 6-13-633 is repealed.

~~6-13-633. Vacancy.~~

~~If a member of the board of directors of a school district no longer resides in the school district, a vacancy shall exist and the vacancy shall be filled as provided by law.~~

SECTION 54. Effective July 1, 2004, Arkansas Code §§ 6-13-634 is repealed.

~~6-13-634. School district board of directors — Size.~~

~~(a) As of July 1, 2000, all school districts shall have a board of directors with no fewer than five (5) and no more than seven (7) members, or no more than nine (9) members in the case of a school district having an average daily attendance of twenty four thousand (24,000) or more.~~

~~(b) Subsection (a) of this section shall not apply to those school districts which have a board of directors of more than seven (7) members, or no more than nine (9) members in the case of a school district having an~~

~~average daily attendance of twenty four thousand (24,000) or more, if that school district is operating under a court order or a consolidation agreement that provides for a board of directors.~~

SECTION 55. Arkansas Code Title 6, Chapter 13, Subchapter 6 is amended to add additional sections to read as follows:

6-13-635. School district boards of directors - Creation and size.

(a) All school districts shall have a board of directors consisting of five (5), seven (7), or nine (9) members.

(b)(1) Any school district board of directors may petition the State Board of Education to change the number of its members, so long as that number of members is five (5), seven (7), or nine (9) members on condition that:

(2)(A) Notice of the filing of the petition shall be published within ten (10) days thereafter by one (1) insertion in some newspaper having a general circulation in the district.

(B) Upon a showing that an increase or decrease in the number of board members will be beneficial to the district petitioning for it, the state board may increase or decrease the number of directors for the district.

(C) The order directing an increase or decrease in the number of board members shall be entered not more than sixty (60) days after the publication of the notice.

(D) The order directing an increase or decrease in the number of board members shall contain one (1) of the following methods for implementing the order:

(i) If there is a decrease in the number of directors, the directors in the effected zones shall draw lots to determine who will leave the board;

(ii) If there is an increase in the number of directors, an individual will be appointed to serve in each of the effected zone in the same manner as filling other vacancies on the board of directors.

6-13-636. School district boards of directors - Election zones.

(a) (1) Except as provided in subdivision (a)(2) of this section, each school district shall elect its board of directors from single member

electoral zones with the exception that those school districts with seven (7) or nine (9) members may have two (2) of those members elected at large.

(2)(A) Any school district that can demonstrate to the State Board of Education that it is in compliance with the Voting Rights Act of 1965, as amended in 1982, shall be allowed to elect its school district board of directors at-large until such time that the school district is found by a court of competent jurisdiction to be in violation of the Voting Rights Act.

(B)The state board shall promulgate rules and regulations and prepare forms to establish a process by which school districts may comply with § 6-13-636(2).

(b) By August 1, 2004, and every August 1 two years after the federal decennial census, any school district that elects the members of the board of directors from single member zones shall produce and file with the county board of election commissioners a map, a legal description, or both, of its electoral zones to be used at the next school election.

(c)(1) At the 2004 annual school election, any school district having boundaries that have changed since the 2003 annual school election shall conduct an election at which all of its members are elected from single member zones as modified in subdivision (a)(1) of this section.

(2) At the first meeting of the board of directors following the 2004 school election in those districts to which subdivision (c)(1) applies, members shall draw lots for term lengths in compliance with 6-13-638.

(d)(1) Upon completion of the 2010 decennial census and every decennial census thereafter, and ninety (90) days before the 2012 school election and every school election falling two (2) years after of the decennial census, the school district shall redraw its electoral zones to be in compliance with the federal Voting Rights Act and the Fourteenth Amendment of the United States Constitution.

(2) The election following the adjustment of electoral zone boundaries shall be of the same manner as provided in subsection (c) of this section.

6-13-637. Qualifications for office and oath.

(a)(1) No person shall be eligible to be a member of any school district board of directors in this state unless he or she is a qualified elector of the school district and electoral zone in which he or she serves.

(2) No person who is elected to a school district board of directors shall be eligible for employment in that school district.

(3) No person shall be eligible to be a member of any school district board of directors in this state if the State Board of Education has determined under the Administrative Accountability Law that the person committed an act or violation that jeopardized the fiscal or academic integrity of a school or school district.

(b)(1) Each director elected or appointed shall, within ten (10) days after receiving notice of his or her election or appointment, subscribe to the following oath:

"I, _____, do solemnly swear or affirm, that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will not be interested, directly or indirectly, in any contract made by the district of which I am a director, except as permitted by state law and that I will faithfully discharge the duties as school director in _____ School District of Arkansas, upon which I am about to enter."

(2) The county clerk, upon receipt of the oath prescribed for a director, shall immediately commission the persons, and they shall enter, at once, upon their duties as directors.

6-13-638. School district board of directors - Length of terms and vacancy in office.

(a)(1) All members of a school district board of directors shall be elected to a term of office of not less than three (3) years nor more than five (5) years in length and with the expiration of the terms so arranged that, as nearly as possible, an equal number of positions are filled each year.

(2) All members of a school district board of directors shall have terms of office of equal length.

(b)(1) If a vacancy occurs on the school district board of directors, the vacancy shall be filled by a majority vote of the remaining directors.

(2) If, as a result of several vacancies on the board, only a minority of the directors remains or if the remaining directors fail to fill vacancies within thirty (30) days, the vacancies shall be filled by

appointment by the county quorum court of the county in which the school district is domiciled.

(3) All appointed directors shall serve only to the next annual school election, at which time the electors shall select, in the usual manner, directors to serve the unexpired terms of the vacating directors.

(c)(1)(A) When a member of the board of directors of any school district in this state pleads guilty or nolo contendere to, or is found guilty of a felony, a vacancy shall immediately exist on that board of directors from the date of the final judgment of conviction.

(B) The prosecuting attorney who successfully prosecutes a school district board member for a felony shall immediately notify the remaining members of that board of the fact of the conviction and of the existence of a vacancy on the board of directors of the school district.

(2) When the State Board of Education determines a member of the board of directors of any school district in this state has committed an act or violation that jeopardizes the fiscal or academic integrity of a school or school district under the Administrative Accountability Law, § 6-15-1601, et seq., a vacancy shall immediately exist on that board of directors from the date of the final determination of the State Board of Education.

(3) The remaining members of the board of directors of the school district shall at their next regular meeting select a person to fill a vacancy created under this subsection (c) until the next regular school election, at which election a successor member shall be elected for the remaining portion of the vacated term.

(d)(1) In cases where directors have entered the services of the armed forces of the United States, temporary vacancies on the boards are declared to exist until the end of the terms of the members or until their return to civilian life in the district if their return occurs before the expiration of their elected terms.

(2) These vacancies shall be filled in the manner prescribed by law, except that appointments of the successors shall be conditional upon the return of the members to resume their normal civilian activities in the district. Upon return, they may resume their duties as directors for their unexpired terms by written notice to the secretaries of their respective school boards.

(3) Directors appointed under this subsection (d) shall take the required oath of office and conform in all respects to legal provisions regarding directors.

(4) It shall be the duty of the secretary of the school board to notify the county clerk in which the school district is domiciled of the appointments within five (5) days after the appointment if made by the local board. This notice shall state the name of the person whom the appointee is succeeding and the expiration date of the term of office.

(5) Directors serving in the armed forces shall be eligible for reelection in the usual manner prescribed by law. If reelected, the procedure for filling the temporary vacancies provided under this subsection (d) shall be again followed in the appointment of the successor to the absentee, and all other provisions of this section shall prevail.

(6) If there is a majority of the directors left after the absences mentioned in this section, the majority may act without notice to those so absent as fully and as effectively as if all directors were present.

(7) If there is more than a majority remaining after the absences, notice must be given for a reasonable length of time before the meeting to directors not so absent of the time, place, and purpose of a meeting of the board, unless the meeting is a regular and not a special or called meeting.

(e) If a member of the board of directors of a school district no longer resides in the school district, a vacancy shall exist and the vacancy shall be filled as provided by this section.

6-13-639. School district boards of directors - Organization.

(a) At the first regular meeting following the annual school election, the board of directors of each school district shall organize by electing:

(1) One (1) of their number president;

(2) One (1) of their number vice-president; and

(3) A secretary who may, but need not be, a member of the board.

(b)(1) The board, by resolution adopted by a majority vote, may designate the ex officio financial secretary as the disbursing officer of the district, and no warrant or other order of payment shall be valid in the absence of the manual or electronic signature as authorized by law of the disbursing officer.

(2) The resolution must be filed with the county treasurer and the Director of the Department of Finance and Administration.

(3)(A) The disbursing officer shall give bond in the amount of two thousand dollars (\$2,000) or an amount equal to ten percent (10%) of the total amount of estimated revenue of the school district for the school year covered by the bond, whichever is the greater, the maximum not to exceed twenty thousand dollars (\$20,000), for the faithful discharge of his or her duties and for the proper accounting of all school money that may come into his or her hands or under his or her control.

(B) The surety on the bond shall be a surety company authorized to do business in the State of Arkansas.

(C) The bond shall be filed in the office of the county clerk and a copy filed with the Director of the Department of Education.

(D) The board shall pay for premiums of the bonds in the same manner as other fixed charges.

(4) Subdivision (b)(3) of this section shall only be operative if Arkansas Code Title 21, Chapter 2, Subchapter 7 is repealed or a person is not entitled to be bonded under this program.

6-13-640. School district boards of directors - Meetings.

(a)(1) The board of directors shall hold regular monthly meetings during the school term and shall meet on call of the president or any three (3) members of the board or when petitioned to do so by a petition in writing signed by fifty (50) electors in the district.

(2) Regular meetings of the school board and all school board committees, and special meetings of the school board and school board committees that deal with personnel or personnel policies, shall, except in emergency situations, be held after 5:00 p.m.

(b)(1) Minutes of regular and special meetings of the school board shall be kept by the secretary of the board and filed by him or her in a permanent record.

(2) This record shall also contain a copy of all budgets of the district and all reports of the county treasurer on the financial affairs of the district.

(c)(1)(A) A majority of a quorum voting affirmatively shall be required for the passage of any motion or resolution.

(B) Any member who abstains from voting shall be counted toward satisfying the quorum requirements, but shall not be counted as either for or against any motion.

(C) If a member announces a conflict of interest with regard to the issue, the member may leave the meeting until the voting on the issue is concluded.

(2) For the purposes of this section, a "quorum" shall be a majority of the membership of the board.

(d)(1) Any member of the board who misses three (3) regular and consecutive board meetings during a school year for any reason other than military service or illness of the member may be removed from office by a majority vote of the remaining board members, but only after an opportunity for a hearing before the board upon fifteen (15) days notice by personal delivery or by certified mail with return receipt signed by addressee only requested.

(2) If the board takes action to remove the member from office, the remaining members shall then appoint another individual to serve until the next annual school election, when electors shall select in the usual manner a director to serve the unexpired term of the removed member.

6-13-641. School district boards of directors - Publication of the budget and previous year's annual expenditures.

(a) The requirement of Article 14, Section 3 of the Arkansas Constitution, as amended, for publication of the budget shall be discharged by the board of directors of each school district by publication of its budget one (1) time in some newspaper published in the county or counties in which the district operates.

(b) The publication shall be made not less than sixty (60) days before the election at which the annual school district ad valorem tax is voted upon.

(c) At the same time as the publication of the budget, the school district shall publish the expenditures of the school district for the previous year, or the most recent year for which complete expenditure data is available.

6-13-642. School district boards of directors - Training and instruction.

(a)(1)(A) Effective July 1, 2004, all members of a school district board of directors elected for an initial or non-continuous term of office shall obtain a minimum of six (6) hours of training and instruction, including, but not limited to, the school laws of Arkansas and the laws, rules, and regulations governing the powers, duties, and responsibilities of school boards, improvement of student achievement, academic and fiscal accountability, student assessment, school finance, and ethics by January 1, 2005.

(B) Beginning January 1, 2005, and each year thereafter, in addition to the six (6) hours training requirement, these new members of a school district board of directors shall also comply with all other training requirements contained in this section, for a total of fifteen (15) hours of training obtained between the time of their election and the end of their first full calendar year of office, and nine (9) hours each year thereafter.

(C) Beginning January 1, 2005, and every year thereafter, all existing and reelected board members shall obtain a minimum of nine (9) hours training and instruction, including, but not limited to, the school laws of Arkansas and the laws, rules, and regulations governing the powers, duties, and responsibilities of school boards, improvement of student achievement, academic and fiscal accountability, student assessment, school finance, and ethics by December 31 of each calendar year.

(D) Hours of training and instruction obtained in excess of the minimum requirements may cumulate and be carried over from year to year.

(2)(A) This instruction may be received from an institution of higher learning in this state, from instruction sponsored by the Department of Education, or by an in-service training program conducted by the Arkansas School Boards Association or some other provider.

(B) Any instruction not provided by the Department of Education shall be pre-approved as to form and content by the Department of Education.

(3) Any school board member completing a course of instruction shall receive a certification of completion, and a copy shall be entered in the minutes of the local school board on which he or she serves.

(4) If any member of a school district board of directors fails to obtain required training by the end of the calendar year, and fails to cure the deficiency by March 1 of the following calendar year and no time extension request having been filed, as determined by the records of the Department of Education, a vacancy shall exist on the board of directors by operation of law from the date of receipt of notification by the superintendent. The Department of Education shall immediately notify the superintendent by certified mail, return receipt requested, with a copy to the board president, of the existence of a vacancy on the board of directors, and the resulting vacancy may be filled in accordance with the law.

(5)(A) If any member or members of a school district board of directors fails to obtain all required training by the end of the calendar year, the failure shall constitute one (1) citation against the district as measured by the Standards of Accreditation of Arkansas Public Schools.

(B) If a member of a school district board of directors is unable to obtain required training because of military service of the member or illness of the member verified by a written sworn statement of the member's attending physician, the Department of Education shall grant a time extension permitting the member additional time to obtain required training.

(C) The issuance of a time extension shall not constitute a citation against the district as measured by the Standards for Accreditation of Arkansas Public Schools and shall not operate to remove a member of a school district board of directors from office.

(b) Local school district boards of directors are authorized to pay per diem and other necessary expenses from funds belonging to the school district and to reimburse school board directors for expenses incurred in attending in-service workshops, conferences, and other courses of training and instruction required in completing the hours of instruction as required in subsection (a) of this section or other instruction as authorized and approved by the school district board of directors.

(c)(1) The State Board of Education shall modify the Standards of Accreditation for Arkansas Public Schools as required by this section, and it shall be the responsibility of the Department of Education to receive and maintain records of instructional hours obtained by members of school district boards of directors.

(2) The State Board of Education may promulgate rules and regulations consistent with the provisions and intent of this section.

6-13-643. School district boards of directors - Powers and duties.

(a) The board of directors of each school district in the state shall be charged with the following powers and perform the following duties, subject to those powers and duties reserved to the State Board of Education:

(1)(A) Employ teachers and other employees necessary for the proper conduct of the public schools of the district and make written contracts with teachers and all other employees in the form prescribed by the State Board of Education.

(B) There shall be four (4) copies of each contract made:

(i) One (1) copy to be retained by the board;

(ii) One (1) copy to be given to the employee;

(iii) One (1) copy to be forwarded to the county treasurer if the county treasurer serves as treasurer for the school district; and

(iv) One (1) copy to be filed with the county clerk of the county in which the school district is domiciled.

(C) The issuing of annual contracts to personnel, other than substitute teachers, employed on a daily basis and teachers shall be in writing and shall recite the duration of employment, specific duties, and annual salary;

(2) Shall have the care and custody of the educational facilities, grounds, and other property belonging to the district and shall keep it in good repair and in sanitary and sightly condition;

(3) May lease sixteenth section lands located in the school district, individually or in conjunction with the other boards of directors of other school districts interested in the sixteenth section, as the case may be;

(4) May purchase buildings or rent educational facilities and sites therefore and sell, rent, or exchange the sites or educational facilities;

(5) Shall see that the curriculum prescribed by the state board or by law for all grades of schools in their district are taught;

(6) Shall visit classrooms frequently, but no less than annually, in the schools in their district while children are present, see to the welfare of the pupils, encourage them in their studies, and assist the teachers in the work so far as they can;

(7) Shall prepare and publish the district's budget for the ensuing year, in accordance with § 6-13-641;

(8)(A) May issue warrants on the county treasurer, when the county treasurer serves as treasurer of the school district, in accordance with the law for the payment of salaries due teachers and other employees and for any other lawful purposes and declare in the warrants the consideration for which each is drawn.

(B) The warrant shall be in the form approved by the state board;

(9) Shall obtain from the county collector and county treasurer information from time to time as to the state of finances of their school district and keep their expenditures safely within the means of the district;

(10)(A) May buy and pay for, out of the school district's funds, supplies and technological resources which may be necessary for the efficient operation of the schools.

(B) However, no warrants shall be issued by any school board for the payment of the supplies or services set out in this subdivision until the supplies or services have been delivered to the school;

(11)(A)(i) Shall close the schools and cease paying the teachers for the remainder of that fiscal year, if it should be apparent that the schools cannot be operated for the remainder of the school year without incurring more indebtedness than that represented by outstanding bonds and those that may be issued for buildings, equipment for the school buildings, purchasing sites, and repairing school buildings or the improvement of sites.

(ii) Each contract made with the teachers shall be subject to that contingency, and the district shall not be liable teachers' salaries for the time the school is so closed.

(B) However, in cases of emergency, the state board may grant special permission to a district to create temporary current indebtedness.

(C) Nothing in this section shall prevent any school district board of directors from borrowing money from banks, from

individuals, or from next year's revenue in order to provide funds in an amount that the maximum non-bonded indebtedness of its school district so incurred shall not be greater than the maximum non-bonded indebtedness of the district was, at any time, during the preceding fiscal year.

(D) If any non-bonded debt is funded by the issuance of bonds, the amount so funded shall not be considered in determining the maximum amount of non-bonded indebtedness during the preceding fiscal year;

(12) Shall publish on the district's web site:

(A) Minutes of regular and special meetings of the school board;

(B) The budget for the ensuing year;

(C) Financial breakdown of monthly expenses of the district;

(D) Salary schedule and fringe benefits for all employees;

(E) The school district's yearly audit; and

(F) The annual statistical report;

(13) May convey any of the district's sixteenth section lands in exchange for any other land that would be more beneficial to the district;

(14)(A) May employ legal counsel to defend the school district, any member of the board of directors, or any school official in any legal proceeding to which the school district, any member thereof, or any school official may be a defendant, when a proceeding is instituted against it or against any member of the board of directors, by virtue of his or her actions in connection with his or her duties as a board member.

(B) All costs, expenses, and liabilities of proceedings so defended shall be a charge against the school district and paid out of funds provided by the governing body of the school district;

(15)(A) May without any authorization by electors of the district execute and deliver oil, gas, and mineral leases upon the lands of the district, which leases are to contain the terms and are to be given for consideration as is acceptable to the board of directors.

(B) All oil, gas, and mineral leases covering lands of any school district, executed by the board of directors of the district, are valid, effectual, and binding on the district.

(C) All oil, gas, and mineral leases covering the lands of any school district of this state which have been made and executed by the board of directors of the district are declared to be binding on the district and effectual for all the purposes therein set out;

(16)(A) May purchase liability insurance to protect the individual members of the board of directors from legal liability for activities arising out of duties as a director, including liability arising out of alleged malfeasance, errors, omissions, wrongful acts not related to bodily injury or property damage, and other actions taken in the performance of their duties as directors.

(B) The board of directors may pay the premium on the liability insurance policy from funds belonging to the school district; and

(17) May do all other things necessary and lawful for the conduct of efficient free public schools in the district.

(b) If the board of directors of a school district permits access to the school grounds, facilities, and records by any person or group of persons whose purpose is to make students aware of occupational and educational options and opportunities, the board shall also permit access on the same basis to official recruiting representatives of the military forces of the state and the United States to enable those representatives to inform students of educational and career opportunities available in the military.

SECTION 56. Arkansas Code § 6-13-801(b), pertaining to the authority of school districts to enter in to an educational compact, is amended to read as follows:

~~(b) If all of the school districts that have entered into a compact are within the service area of the same education service cooperative, that education service cooperative is~~ Education service centers are also authorized to enter into ~~the~~ a compact.

SECTION 57. Effective July 1, 2004, Arkansas Code § 6-13-901 is repealed.

~~6-13-901. Title.~~

~~The title of this subchapter shall be "The Public School Educational Cooperative Act of 1981".~~

SECTION 58. Effective July 1, 2004, Arkansas Code § 6-13-902 is repealed.

~~6-13-902. Definitions.~~

~~As used in this subchapter, unless the context otherwise requires:~~

~~(1) "Educational cooperative" means a voluntary association of school districts to share resources, personnel, materials, and equipment and to provide and improve services and programs to students; and~~

~~(2) "Public school district" means any public school district in the state serving students in a kindergarten through grade twelve (K-12) program or a grade one through grade twelve (1-12) program.~~

SECTION 59. Effective July 1, 2004, Arkansas Code § 6-13-903 is repealed.

~~6-13-903. Powers.~~

~~(a) Public school districts in the State of Arkansas are empowered to voluntarily agree to share programs, personnel, materials, and equipment for the purpose of enlarging curriculum or services or providing new services to students in their respective districts.~~

~~(b) The cooperatives are empowered to receive state, local, and federal funds that have been assigned to the cooperatives by the member school districts and are also empowered to spend those funds on behalf of the districts assigning those funds.~~

~~(c) The Department of Education shall not distribute state equalization aid directly to any educational cooperative.~~

SECTION 60. Effective July 1, 2004, Arkansas Code § 6-13-904 is repealed.

~~6-13-904. Agents for districts.~~

~~(a) The cooperatives will act as an agency for all or some of the member districts in dealings with other governmental and private agencies.~~

~~(b) They will have the power to contract and handle funds for the member districts under conditions specified in the agreement between the member school districts and federal and state law and regulation.~~

SECTION 61. Effective July 1, 2004, Arkansas Code § 6-13-905 is repealed.

~~6-13-905. Board of directors.~~

~~(a) Each cooperative will be governed by a board of directors consisting of one (1) representative appointed by the board of directors of each cooperating school district.~~

~~(b) The board shall be empowered to hire a director and other employees and to contract for services, supplies, and equipment.~~

~~(c) Policies for the operation of the cooperative will be developed by the board of directors and be filed with the Department of Education as required by law of school districts generally.~~

SECTION 62. Effective July 1, 2004, Arkansas Code § 6-13-906 is repealed.

~~6-13-906. Rules, regulations, and reports.~~

~~(a) The cooperatives will:~~

~~(1) Abide by all rules and regulations of the Department of Education which apply to school districts generally; and~~

~~(2) Make all reports as required by law and regulation which apply to school districts generally to the department.~~

~~(b)(1) Records of the expenditures and receipts of the cooperatives shall be kept in such manner and on such forms as may be specified by the department or the School Audit Section of the Division of Legislative Audit of the Legislative Joint Auditing Committee.~~

~~(2) Reports on expenditures and receipts shall be made for the cooperative as a single agency or shall be made separately by the school districts to reflect the status of each member district at such time and in such manner as specified by the department.~~

SECTION 63. Effective July 1, 2004, Arkansas Code § 6-13-1001 is repealed.

~~6-13-1001. Title.~~

~~The title of this subchapter shall be "The Education Service Cooperative Act of 1985".~~

SECTION 64. Effective July 1, 2004, Arkansas Code § 6-13-1002 is repealed.

~~6-13-1002. Education service cooperatives established — Functions.~~

~~(a) The State Board of Education is authorized to establish a statewide system of not more than fifteen (15) multicounty education service cooperatives of school districts. Such cooperatives shall be intermediate service units in the state's elementary and secondary education system and as such shall be eligible to receive and expend funds from state and federal governments, school districts, and other public or private sources.~~

~~(b) Education service cooperatives established by this subchapter will provide to school districts which choose to use them assistance in:~~

~~(1) Meeting or exceeding accreditation standards and equalizing educational opportunities;~~

~~(2) Using educational resources more effectively through cooperation among school districts; and~~

~~(3) Promoting coordination between school districts and the Department of Education in order to provide services which are consistent with the needs identified by school districts and the educational priorities of the state as established by the General Assembly or the board.~~

SECTION 65. Effective July 1, 2004, Arkansas Code § 6-13-1003 is repealed.

~~6-13-1003. Boundaries — Adjustments.~~

~~(a) The State Board of Education shall establish tentative boundaries for the system of cooperatives authorized by this subchapter.~~

~~(b) These education service cooperatives will be established so that:~~

~~(1) They include at least three (3) but no more than nine (9) counties;~~

~~(2) They include at least ten (10) but no more than thirty five (35) school districts;~~

~~(3) They include at least twenty thousand (20,000) pupils in kindergarden through grade twelve (K-12) average daily membership;~~

~~(4) They include at least one (1) postsecondary education institution; and~~

~~(5) There is no more than fifty (50) miles distance or approximately one (1) hour driving time to the area's main offices for ninety percent (90%) of the school districts.~~

~~(c) The board may make adjustments in the boundaries when criteria such as minimum average daily membership and maximum driving distances conflict. However, no more than four (4) of the areas formed may contain fewer than twenty thousand (20,000) students. In no case shall any cooperative be established with fewer than twelve thousand (12,000) pupils.~~

SECTION 66. Effective July 1, 2004, Arkansas Code § 6-13-1004 is repealed.

~~6-13-1004. Requests for establishment of cooperative — Requirements.~~

~~(a) Education service cooperatives shall be established when seventy-five percent (75%) of the school districts in a proposed cooperative area request such action by formal resolutions filed by the school district boards of directors with the Director of the Department of Education.~~

~~(b) Each resolution shall, in addition to requesting establishment of an education service cooperative, indicate by name or position that district's representative on the board of directors of the proposed education service cooperative.~~

~~(c) Requests must be filed by seventy-five percent (75%) of the school district boards of directors by May 1 if an education service cooperative is to be established for the following school year.~~

SECTION 67. Effective July 1, 2004, Arkansas Code § 6-13-1005 is repealed.

~~6-13-1005. Alteration of boundaries.~~

~~(a) The State Board of Education, upon the request of one (1) or more school district boards of directors, and consistent with the provisions of § [6-13-1003](#), may alter the boundaries of a proposed or operational education service cooperative when it determines such alteration to be in the best interest of the school districts in the cooperatives involved.~~

~~(b) Consistent with provisions of § [6-13-1003](#), no member of an existing pilot cooperative established under Acts 1983 (1st Ex. Sess.), No. 103 [repealed] nor any member of a cooperative formed after January 1, 1984, under § [6-13-901](#) et seq., may be moved to another education service cooperative without that member's consent.~~

SECTION 68. Effective July 1, 2004, Arkansas Code § 6-13-1006 is repealed.

~~6-13-1006. Board of directors.~~

~~(a) Each education service cooperative shall be governed by a board of directors consisting of one (1) representative appointed by each school district board of directors within the boundary of the cooperative.~~

~~(b) No school district may have official representation on more than one (1) cooperative board of directors.~~

~~(c) The board of directors of each established education service cooperative shall function as a public corporate body, shall meet, except as otherwise provided in § 6-13-1007, at least eight (8) times each year, and shall exercise general fiduciary responsibilities for the education service cooperative with regard to policies and practices which guard the integrity of the agency and maintain public trust in its operation.~~

~~(d) Such responsibilities, consistent with funds available, shall include, but not be limited to:~~

~~(1) Employment of a director of the education service cooperative who shall serve as the nonvoting executive officer of the board of directors;~~

~~(2) Establishment of policies and procedures for the operation and management of the education service cooperative which shall be in written form and shall be filed with the State Board of Education;~~

~~(3) Preparation of an annual budget estimating income and expenditures for programs and services in accordance with procedures established by the state board;~~

~~(4) Receipt and expenditure of funds needed to provide programs and services in the area;~~

~~(5) Making such surveys or other inquiries which may be required to determine the service needs of school districts in the education service cooperative and developing plans to provide such needed services;~~

~~(6) Employment, upon the recommendations of the director of the education service cooperative, of such personnel as may be required to provide the services requested by the school districts in the area;~~

~~(7) Implementation of policies established by the state board for the operation of education service cooperatives;~~

~~(8) Cooperation with other education service cooperatives, school districts, and other agencies to provide programs and services for children and adults residing within their respective areas;~~

~~(9) Renting, leasing, or receiving by gift such facilities and buildings as may be required to provide authorized programs and services; and~~

~~(10) Carrying out such other duties as may be required for the efficient operation of the education service cooperative for which the board is responsible.~~

SECTION 69. Effective July 1, 2004, Arkansas Code § 6-13-1007 is repealed.

~~6-13-1007. Executive committee.~~

~~(a)(1) In a meeting, with a majority of its members present and voting, the board of directors of an education service cooperative may elect from its membership an executive committee of seven (7), nine (9), or eleven (11) members.~~

~~(2) Candidates for the executive committee, if one is formed, shall be chosen so that the school districts within the education service cooperative are equitably represented.~~

~~(3) All subsequent members of the executive committee shall be elected by a majority vote of the board of directors in attendance at the annual meeting.~~

~~(b) The function of the executive committee shall be to carry out those duties delegated to it by the governing board, the provisions of § 6-13-1006 notwithstanding.~~

~~(c) Terms of executive committee members shall be three (3) years except for the initial members which shall have terms assigned by lot so as to stagger terms to equalize as nearly as possible the number of members to be elected each year. Vacancies occurring after the annual meeting shall be filled by the executive committee until the next annual meeting.~~

~~(d) Should an executive committee be established in any education service cooperative, it shall meet at least nine (9) times per year, and the requirements for board of directors meetings shall be reduced to three (3) times annually. The president of the board of directors shall serve as~~

~~chairman of the executive committee. No person, however, may serve in this position for more than two (2) consecutive years.~~

SECTION 70. Effective July 1, 2004, Arkansas Code § 6-13-1008 is repealed.

~~6-13-1008. Teacher center — Teacher center committee.~~

~~(a) Each education service cooperative shall establish a teacher center which will provide, consistent with funds available, curriculum development assistance, educational materials, and staff development services to teachers within the school districts in the service area.~~

~~(b) A teacher center committee, composed of at least one (1) representative from the staff of each school district, shall advise the director and the governing body on the staffing, programs, and operation of the teacher center.~~

~~(c) The governing body of each cooperative shall determine the initial composition of the teacher center committee to achieve a balance of elementary, middle school or junior high, and high school personnel and assure that at least one-half ($1/2$), but not more than two-thirds ($2/3$), of the members are classroom teachers.~~

~~(d) All positions on the committee shall be assigned to school districts by lot.~~

~~(e) Each teacher must be elected by colleagues in his or her district, and each administrator or support person shall be appointed by the superintendent.~~

~~(f) Initial terms shall be determined by lot for equal or nearly equal periods of one (1), two (2), and three (3) years.~~

~~(g) Thereafter, terms shall be for three (3) years.~~

~~(h) The committee shall meet at least three (3) times per year.~~

~~(i) In the last meeting each year, positions represented by expiring terms shall be reassigned by lot.~~

SECTION 71. Effective July 1, 2004, Arkansas Code § 6-13-1009 is repealed.

~~6-13-1009. Cooperative committees generally.~~

~~Each education service cooperative may establish other committees of local school personnel needed to keep its programs responsive to the schools it serves.~~

SECTION 72. Effective July 1, 2004, Arkansas Code § 6-13-1010 is repealed.

~~6-13-1010. Director.~~

~~(a) Each education service cooperative shall be administered by a director who shall perform the following duties:~~

~~(1) Administer the programs and services of the education service cooperative;~~

~~(2) Recommend the employment of professional and nonprofessional personnel authorized by the education service cooperative's governing body;~~

~~(3) Prepare the budget for adoption by the education service cooperative's governing body;~~

~~(4) Direct expenditures of funds within the budget; and~~

~~(5) Perform other duties as required by the education service cooperative's governing body and the policies, rules, and regulations of the State Board of Education.~~

~~(b) The director of each education service cooperative shall:~~

~~(1) Hold an administrator's certificate and meet all requirements to serve as a superintendent of schools in the State of Arkansas; or~~

~~(2) Have an equivalent level of education and administrative experience and obtain the approval of the board.~~

~~(c) The governing body of any education service cooperative may enter into a contract with a director for a period not to exceed three (3) years.~~

SECTION 73. Effective July 1, 2004, Arkansas Code § 6-13-1011 is repealed.

~~6-13-1011. Personnel generally.~~

~~(a) Personnel of education service cooperatives shall be employed in accordance with laws, rules, regulations, and procedures applicable to the school districts of this state.~~

~~(b) Certificate requirements shall be the same as those expected of persons holding similar positions in local school districts.~~

~~(c) Termination or contract non-renewal of education service cooperative personnel shall be as provided by law for the school district personnel.~~

SECTION 74. Effective July 1, 2004, Arkansas Code § 6-13-1012 is repealed.

~~6-13-1012. Agency personnel.~~

~~With the approval of an education service cooperative's governing body, the directors in the Department of Education may assign state educational agency personnel to that education service cooperative.~~

SECTION 75. Effective July 1, 2004, Arkansas Code § 6-13-1013 is repealed.

~~6-13-1013. Policies, rules, and regulations.~~

~~(a) The State Board of Education shall develop such policies, rules, and regulations as may be needed for the proper administration of this subchapter consistent with the need to support and assist education service cooperatives in the delivery of services to school districts and with prudent use of available human and financial resources.~~

~~(b) Such policies, rules, and regulations shall include, but not be limited to, those concerns that keep the education service cooperatives operating within appropriate state and federal laws and serve as guides for settling possible disputes between school districts and in equity or jurisdictional matters relating to shared assets and services.~~

SECTION 76. Effective July 1, 2004, Arkansas Code § 6-13-1142 is repealed.

~~6-13-1014. Sharing and coordination of activities — Liaison.~~

~~(a) The Department of Education shall encourage sharing and coordination of activities among the education service cooperatives.~~

~~(b) The Director of the Department of Education shall name a person to serve as liaison between the department and the education service cooperatives.~~

~~(c) This liaison shall provide information on resources and programs and be the general contact person in the department for the cooperatives.~~

SECTION 77. Effective July 1, 2004, Arkansas Code § 6-13-1015 is repealed.

~~6-13-1015. Liaison with postsecondary institutions.~~

~~(a) Each education service cooperative, in carrying out its programs and services, shall cooperate with the various state supported postsecondary educational institutions located within its area.~~

~~(b) Each such postsecondary institution, within the availability of funds and personnel, shall establish liaison with the education service cooperatives in its service area and assist them in all practical ways.~~

SECTION 78. Effective July 1, 2004, Arkansas Code § 6-13-1016 is repealed.

~~6-13-1016. Annual surveys and needs assessments.~~

~~(a) Each education service cooperative shall conduct annual surveys and needs assessments to assist the cooperative in its first priority of helping school districts improve their educational programs and practices.~~

~~(b) Such activities may include written surveys, visits to schools to meet with local personnel, and other means to identify local needs throughout the service area.~~

~~(c) Each education service cooperative shall work with the Department of Education to conduct statewide surveys which complement, rather than duplicate, the work of the department.~~

~~(d) The objective shall be to obtain statewide, area, and local data with as little duplication as possible.~~

SECTION 79. Effective July 1, 2004, Arkansas Code § 6-13-1017 is repealed.

~~6-13-1017. Programs and services.~~

~~(a) The programs and services of each education service cooperative shall be based upon the needs of the school districts included in its service area and upon the educational priorities of the state.~~

~~(b) Each education service cooperative shall provide a teacher center as its basic curriculum and staff development capability.~~

~~(c) Education service cooperatives may provide shared educational programs and services such as needs assessment and school improvement planning, staff development, curriculum development, itinerant teachers, instructional materials, adult and vocational education, programs for gifted and talented, education for children with disabilities, alternative educational programs, secondary area vocational centers, community based education programs and other services which the State Board of Education may approve or which school districts may support with local funds.~~

SECTION 80. Effective July 1, 2004, Arkansas Code § 6-13-1018 is repealed.

~~6-13-1018. Participation of local school districts — Contracts.~~

~~(a) Each school district within the service area of the education service cooperative shall be entitled to participate in those programs and services which are fully supported by state funds.~~

~~(b) No school district shall be required to participate in any service.~~

~~(c) School districts may enter into contracts with the education service cooperative for services supported partially or completely by local school funds.~~

~~(d) School districts within one (1) education service cooperative may also contract for services with another education service cooperative.~~

SECTION 81. Effective July 1, 2004, Arkansas Code § 6-13-1019 is repealed.

~~6-13-1019. Funding of cooperatives.~~

~~(a) The state shall provide funds to support the basic structure of the education service cooperatives established under the provisions of this subchapter.~~

~~(b) This structure shall include:~~

~~(1) Salaries and fringe benefits for a director, a teacher center coordinator, and support staff;~~

~~(2) Costs such as travel, utilities, rent, equipment, and supplies;~~

~~(3) Funds to support staff and curriculum development activities; and~~

~~(4) Funds in an annual amount not to exceed twenty five thousand dollars (\$25,000) for the travel expenses of itinerant personnel employed by the education service cooperative to serve the part time needs of local districts.~~

~~(c) School districts may contract with their education service cooperative for services and part time personnel to be supported in whole or in part by local funds, but no school district shall be assessed a membership fee.~~

~~(d) Categorical state or federal funds may also be assigned to any education service cooperative upon approval of its governing body and under conditions set by the State Board of Education.~~

~~(e) As a public agency, each education service cooperative shall be eligible to receive and expend public and private funds.~~

SECTION 82. Effective July 1, 2004, Arkansas Code § 6-13-1020 is repealed.

~~6-13-1020. Policies and procedures — Expenditures, reports, and audits.~~

~~(a)(1) The policies and procedures for each education service cooperative shall be filed with and approved by the State Board of Education. This report shall be filed on or before June 1 of each year and shall contain, but is not limited to, a record of the cooperative's employment policies and practices for the year. This annual employment record must include the race and sex of each person employed or terminated during the year by the cooperative and the race and sex of every person who~~

~~sought employment with the cooperative during the year. The employment report must further disclose each person employed by the cooperative during the year who is related by blood or marriage to another employee or board member of the cooperative.~~

~~(2) Reports of receipts and expenditures shall also be filed with the board on forms provided and time schedules set by the Director of the Department of Education. These reports shall contain, but not be limited to, an itemization of administrative and programmatic expenditures. Expenditures shall be reported in accordance with uniform accounting procedures adopted by the department.~~

~~(3) Education service cooperatives shall be subject to annual audits by the Legislative Joint Auditing Committee.~~

~~(b) In an annual meeting of the board of directors which must be convened between May 15 and July 15, the education service cooperatives shall report to their constituent school districts on the year's operations. Such reports shall be supplemented with written reports to each district and to the Department of Education on a school by school, service by service accounting basis. Any balances in particular service accounts must be apportioned and returned to the schools involved or credited to their accounts for the following year.~~

SECTION 83. Effective July 1, 2004, Arkansas Code § 6-13-1021 is repealed.

~~6-13-1021. Evaluations.~~

~~(a) Within each five year period, on a schedule established by the Director of the Department of Education, all active education service cooperatives must be visited by an evaluation committee of not more than nine (9) persons.~~

~~(b) Each evaluation shall include, but not be limited to, an investigation of user satisfaction, service adequacy, extent of local financial support, staff qualifications, and performance and administration effectiveness.~~

~~(c)(1) The report of this committee shall be filed with the cooperative visited, with its constituent school districts, and with the State Board of Education.~~

~~(2) The board shall acknowledge receipt of the report and comment on any deficiencies identified in the report which should be corrected for the cooperative to remain eligible for base funding.~~

~~(d) The intent of this evaluation procedure is to provide a means for school districts to express their concerns about the operation of their cooperative and to ensure that each education service cooperative remains alert and responsive to the needs of the local schools it serves.~~

~~(e)(1) For each evaluation, the director shall appoint the committee and designate its chairperson.~~

~~(2) The committee shall include the following from outside the boundary of the education service cooperative being evaluated:~~

~~(A) A Department of Education staff member;~~

~~(B) A teacher;~~

~~(C) An administrator;~~

~~(D) A college staff member; and~~

~~(E) A present or former staff member of an area education service agency.~~

~~(3) In addition, the committee shall include from within the cooperative's area:~~

~~(A) A member of the school district board of directors;~~

~~(B) A representative of business and industry; and~~

~~(C) A school parent from each of two (2) school districts.~~

~~(4) Each cooperative shall pay the reasonable costs of its evaluation.~~

SECTION 84. Effective July 1, 2004, Arkansas Code § 6-13-1022 is repealed.

~~6-13-1022. Dissolution of cooperative.~~

~~(a) After 1990, the State Board of Education shall be authorized to dissolve any education service cooperative upon the request of a majority of its school district boards of directors or upon the recommendation of the evaluation committee provided for in § 6-13-1021.~~

~~(b) A dissolved education service cooperative's area shall be assigned to one (1) or more adjacent education service cooperatives, the provisions of~~

~~§ 6-13-1003 notwithstanding, with the dissolved cooperative's base funding apportioned to all remaining education service cooperatives in the state.~~

SECTION 85. Effective July 1, 2004, Arkansas Code § 6-13-1023 is repealed.

~~6-13-1023. Technology training center — Technology coordinator.~~

~~(a) Consistent with funds available and upon a majority vote of the members present and voting, the board of directors of each education service cooperative established under this subchapter is authorized to establish a technology training center and employ a technology coordinator who has demonstrated expertise in computer technology and staff development.~~

~~(b) The duties of the technology coordinator at such technology training center shall include, but not be limited to, the following:~~

~~(1) To provide staff development for personnel of member schools;~~

~~(2) To assist member schools with determining technology needs and types of computer hardware and software necessary to meet those needs;~~

~~(3) To assist with technology system analysis and local network design;~~

~~(4) To provide member schools with information on technology standards and specifications;~~

~~(5) To develop and coordinate a technology training center located at the education service cooperative;~~

~~(6) To coordinate information with the Arkansas Public School Computer Network, the Instructional Microcomputer Project for Arkansas Classrooms, and the Governor's Technology Task Force so that member schools will be informed on technological activity in the state; and~~

~~(7) To assist with requests for proposal development and bid analysis so that member schools will be better able to spend funds for technology.~~

SECTION 86. Effective July 1, 2004, Arkansas Code § 6-13-1025 is repealed.

~~6-13-1025. Mathematics and science center — Mathematics and science coordinator.~~

~~(a) Consistent with funds available and upon a majority vote of the members present and voting, the board of directors of each education service cooperative established under this subchapter is authorized to establish a mathematics and science center and to employ a mathematics and science coordinator who has demonstrated expertise in mathematics and science content, in pedagogy, and in staff development.~~

~~(b) The duties of the mathematics and science coordinator at the mathematics and science resource center shall include, but not be limited to, the following:—~~

~~(1) Providing mathematics and science staff development for and individual technical assistance to personnel of member schools;—~~

~~(2) Assisting member schools with determining mathematics and science curricula, with instruction, and with assessment of needs and resources necessary to meet those needs;—~~

~~(3) Enhancing curricula and instruction using technology;—~~

~~(4) Providing member schools with information for curriculum alignment with mathematics and science standards and state frameworks;—~~

~~(5) Developing and coordinating a mathematics and science resource center located at the education service cooperative; and—~~

~~(6) Assisting with the development of requests for proposals for teacher enhancement in mathematics and science.—~~

SECTION 87. Effective July 1, 2004, Arkansas Code § 6-13-1026 is repealed.

~~6-13-1026. Cooperatives qualify as local education agencies.~~

~~(a) The General Assembly designates that the education service cooperatives created by this subchapter meet the definition of "local education agencies" by virtue of the fact that each is a public authority, legally constituted within this state to perform a service function for a public elementary and secondary school in school districts and other political subdivisions of the state and to form a consortia of school districts which are recognized by the General Assembly as administrative agents for public elementary and secondary schools.—~~

~~(b) This section intends to recognize the function of the cooperatives and to provide eligibility to cooperatives to receive state and federal funds upon written requests from the school districts.~~

SECTION 88. Arkansas Code Title 6, Chapter 13 is amended to add a new subchapter:

6-13-1601. Education service centers - Establishment.

(a)(1) The State Board of Education may establish education service centers in the state.

(2) The education service centers shall serve as intermediate service units and part of the Department of Education and shall be eligible to receive and expend funds from state and federal government, school districts, and other public and private sources.

(b) Education service centers established under this subchapter shall provide to schools and school districts assistance in:

(1) Using educational resources more effectively through cooperation among schools or school districts or refocusing of resources;

(2) Promoting coordination among schools, school districts, other institutions, and the Department of Education in order to provide services that are consistent with providing an equal opportunity to an adequate education for each and every student; and

(3) Engaging parents in the support of programs that improve student achievement.

(c)(1) The Assembly designates that the education service centers created by this subchapter meet the definition of "local education agencies" by virtue of the fact that each is a public authority, legally constituted within this state to perform a service function for a public elementary and secondary school in school districts and other political subdivisions of the state and to form a consortia of schools and school districts which are recognized by the Assembly as administrative agents for public elementary and secondary schools.

(2) This section intends to recognize the function of the education service centers and to provide eligibility to the education service centers to receive state and federal funds upon written requests from the school districts.

6-13-1602. Education service centers - Area of service - Establishment and adjustment.

(a) The State Board of Education shall establish the service area boundaries for the education service centers created under this subchapter.

(b) Each school district in the state shall be assigned to an education service center.

(c) The State Board of Education, either upon the request of one (1) or more school district boards of directors or upon its own motion, and consistent with the provisions of this section, may alter the service area of education service centers if it determines that an alteration of the service area is in the best interest of the students in the areas involved.

6-13-1603. Education service centers - Executive Committees.

(a) Each education service center shall have an executive committee to aid the director of the education service center in meeting the objectives of the education service center and the state.

(b)(1) The executive committee shall consist of eleven (11) individuals appointed by majority vote of the presidents of the boards of directors of the school districts in the service area of the education service center.

(2) The members of the executive committee shall each serve three-year staggered terms, with an equal number rotating off of the executive committee each year.

(3) The membership of the executive committee shall include five (5) superintendents or members of school district boards of directors, two (2) teachers, two (2) parents, one (1) representative from an institution of higher education, and one (1) representative of the business community.

(c) The duties of the executive committee are:

(1)(A) Establishment of policies and procedures for the operation and management of the education service center.

(B) The policies and procedures shall be in written form and shall be approved by and filed with the State Board of Education.

(2) Making surveys or other inquiries that may be required to determine the service needs of school districts in the service area of the education service center and developing plans to provide the needed services;

(3) Implementation of policies established by the State Board of Education for the operation of the education service center;

(4) Cooperation with other education service centers, school districts, and other agencies to provide programs and services for children and adults residing within their respective areas;

(5) Employing a director of the education service center; and

(6) Carrying out other duties that may be required for the efficient operation of the education service center.

(d)(1) The executive committee shall meet at least quarterly.

(2)(A) At least annually and on a schedule set by the Director of the Department of Education, the education service center shall report to the Director of the Department of Education on the prior year's operations.

(B) The education service center's reports to the Director of the Department of Education shall be written reports, with copies to each school and school district that is in the service area of the education service center.

(e)(1) Each education service center shall create an advisory committee consisting of one (1) representative selected by the board of directors of each school district in the service area of the education service center. The role of the advisory committee shall be to advise and give guidance to the executive committee and the director of the education service center.

(2) Each education service center may establish other committees of local school personnel needed to keep its programs responsive to the schools it serves.

6-13-1604. Education service centers - Director.

(a) Each education service center shall be administered by a director who shall perform the following duties:

(1) Administer the programs and services of the education service center;

(2) Direct expenditures of funds within the budget;

(3) Receive and expend funds needed to provide programs and services in the area;

(4) Secure and maintain facilities as are required to provide authorized programs and services;

(5) Supply any and all information and reports requested by the Director of the Department of Education in a timely manner; and

(6) Perform other duties as required by either the executive committee of the education service center or the Director of the Department of Education and the policies, rules, and regulations of the State Board of Education.

(b) The director of each education service center shall:

(1) Hold an administrator's certificate and meet all requirements to serve as a superintendent of schools in the State of Arkansas; or

(2) Have an equivalent level of education and administrative experience and obtain the approval of the State Board of Education.

(c) The executive committee of the education service center shall employ the director. The governing body of any education service center may enter into a contract with a director for a period not to exceed three (3) years.

(d)(1) If the Director of the Department of Education determines that any director of any education service center fails to fulfill any of the provisions of this subchapter, then a written report of such finding shall be submitted to the executive committee of the education service center and the State Board of Education.

(2) The director of the education service center shall be subject to the provisions of the Administrative Accountability Law as though he or she was a superintendent of schools.

6-13-1605. Education service centers - Personnel.

(a) The director of each education service center shall hire such qualified personnel as may be needed to fulfill the purposes of the education service center.

(b) No employee of the education service center shall be related within the second degree of consanguinity or affinity to the director of the education service center or any member of the executive committee of the education service center.

6-13-1606. Education service centers - Professional development center.

(a) Each education service center shall establish a professional development center that will provide curriculum development assistance, educational materials, and professional development services to educators,

parents, and other community groups within the school districts in the service area or to other entities.

(b) A professional development coordinator, who shall report to the director of the education service center, shall manage the professional development center.

(c) Each professional development center shall develop, maintain, and deliver services to improve student, school, and school district academic performance and to implement initiatives identified by the Director of the Department of Education.

(d)(1)(A) Each Professional Development Center shall develop a professional development plan.

(B) The plan shall be based on the requirements within the Professional Development Rules and Regulations, State Board of Education priorities, student achievement data, and the school improvement plans of the member school districts.

(2) Improvement of student achievement shall be the prerequisite goal of all professional development.

(3) The plan shall include the purposes and descriptions of services the center shall provide to schools in school improvement and the other schools or entities served by the center.

(4)(A) Teachers, administrators, and classified school employees shall be involved in the design, implementation, and evaluation of the professional development offerings.

(B) The evaluation results shall be given to each group of employees and used for continuing improvement.

(e) Each professional development center shall annually report to the Director of the Department of Education regarding professional development activities for the previous year as required by the department.

(f) Each professional development center shall provide for the services of a mathematics specialist, literacy specialist, instructional technology specialist, and other specialists, including, but not limited to, gifted and talented, dropout prevention, special education, early childhood, as identified and required by the Department of Education, with special attention and additional services provided to those schools and school districts with high concentrations of low income families or students from low income families as indicated by eligibility for the free or reduced price

lunch program under the National School Lunch Act or any other act of the United States Congress, in existence on January 1, 2003.

6-13-1607. Education service centers - Technology support center

Each education service center shall to establish a technology support center for the purpose of:

(1) Providing relevant technology staff development for personnel of member schools;

(2) Assisting member schools with determining technology needs, technology planning, and the appropriate types of technology including computer hardware and software necessary to meet those needs;

(3) Assisting with technology system analysis and local network design;

(4) Providing member schools with information on technology standards and specifications;

(5) Developing and coordinating technical training and support services at the education service center;

(6) Assisting the Department of Education in awarding and monitoring state and federal technology grants and resources;

(7) Coordinating information with the Arkansas Public School Computer Network so that member schools will be informed on technological activity in the state; and

8) Assisting with requests for proposal development and bid analysis so that member schools will be better able to spend funds for technology.

6-13-1608. Education service centers - Sharing and coordinating activities.

The Department of Education shall oversee the sharing and coordination of activities among the education service centers.

6-13-1609. Education service centers - Programs and services.

(a) The programs and services of each education service center shall be based upon the needs of the schools and school districts included in its service area and as they directly relate to the educational priorities of state as established by the State Board of Education.

(b) Education service centers may provide shared educational programs and services such as needs assessment and school improvement planning, staff

development, curriculum development, itinerant teachers, distance learning, instructional materials, adult and vocational education, programs for gifted and talented children, education for children with disabilities, alternative educational programs, secondary area vocational centers, community-based education programs, and other services that the State Board of Education may approve or that school districts may support with local funds.

(c)(1) Each education service center shall conduct annual surveys and needs assessments to assist the center in its first priority of helping schools and school districts improve their educational programs and practices.

(2) Annual surveys and needs assessments may include written surveys, visits to schools to meet with local personnel, meeting with school councils, and other means to identify local needs throughout the service area.

(3)(A) School districts may enter into contracts with the education service center for services supported partially or completely by local, state, or federal funds.

(B) No school district shall be assessed a membership fee.

(4) School districts within the service area of one (1) education service center may also contract for services with another education service center.

6-13-1610. Education service centers - Evaluations.

(a) On a schedule, which shall not be longer than a five (5) year cyclical period, established by the Director of the Department of Education, an evaluation committee of seven (7) persons shall visit all education service centers.

(b) Each evaluation shall include, but not be limited to, an investigation of user satisfaction, service adequacy, extent of local financial support, staff qualifications, performance and administration effectiveness, and support and implementation of state initiatives as designated by the State Board of Education.

(c)(1) The report of the committee shall be filed with the education service center visited, with its constituent schools and school districts, and with the State Board of Education.

(2) The executive committee and the director of the education service center shall acknowledge receipt of the report and comment on any deficiencies identified in the report.

(d) The intent of this evaluation procedure is to:

(1) Provide a means for schools and school districts to express their concerns about the operation of their education service center;

(2) Ensure that each education service center remains alert and responsive to the needs of the local schools it serves; and

(3) Ensure that state initiatives as designated by the State Board of Education are supported and implemented.

(e)(1) For each evaluation, the Director of the Department of Education shall appoint the committee and designate its chairperson.

(2) The committee shall include the following from outside the service area of the education service center being evaluated:

(A) An Department of Education staff member;

(B) A teacher;

(C) A public school administrator;

(D) A representative of higher education;

(E) A parent serving as a member of a school's Parent Advisory Council;

(F) A member of a school district board of directors; and

(G) A representative of business and industry.

6-13-1611. Education service centers - Funding

(a) The state shall provide funds to support the basic structure of the education service centers established under the provisions of this subchapter.

(b) This structure shall include:

(1) Salaries and fringe benefits for a director, professional development coordinator, and support staff;

(2) Costs such as travel, utilities, rent, equipment, and supplies;

(3) Funds to support staff and curriculum development activities; and

(4) Funds in an annual amount not to exceed twenty-five thousand dollars (\$25,000) for the travel expenses of itinerant personnel employed by the education service center to serve the part-time needs of local districts.

(c) School districts may contract with their education service center for services and part-time personnel to be supported in whole or in part by local funds, but no school district shall be assessed a membership fee.

(d) Categorical state or federal funds may also be assigned to any education service center upon approval of its executive committee and under conditions set by the State Board of Education.

(e) As a public agency, each education service center shall be eligible to receive and expend public and private funds.

SECTION 89. Arkansas Code Title 6, Chapter 17, Subchapter 2 is amended to add an additional section to read as follows:

6-17-209. Interim Personnel Policy Committees.

(a) For purposes of this section the following definitions shall apply:

(1) "Consolidation" means any reorganization of a school district effective on or before July 1, 2004, either voluntarily under Arkansas Code Title 6, Chapter 13, Subchapter 14, or involuntary under this act of 2003;

(2) "Interim school board" means:

(A) The temporary school board governing a school district under this act; or

(B) In the event of a voluntary consolidation under Arkansas Code Title 6, Chapter 13, Subchapter 14, a board consisting of the presidents of the school district boards of directors of the school districts to be consolidated, which shall be formed for the purpose of reviewing and adopting a uniform set of policies under this section; and

(3) "New school district" means the resulting school district after consolidation.

(b) As soon as possible after the school boards or the qualified electors of the school districts agree to be consolidated, or as soon as possible after the State Board of Education publishes it's preliminary list of school districts to be consolidated, the personnel policy committee of each of the school districts involved in the consolidation shall meet individually and elect members to form an interim personnel policy committee for the new school district.

(1) The personnel policy committees of the existing school districts shall elect:

(A) If three (3) or fewer school districts are consolidating, three (3) existing teacher members of the personnel policy committee from each school district to serve on the interim personnel policy committee; or

(B) If four (4) or more school districts are consolidating, two (2) existing teacher members of the personnel policy committee from each school district to serve on the interim personnel policy committee; and

(C) One (1) administrator from each of the school districts to serve on the interim personnel policy committee.

(2) The interim personnel policy committee shall elect a chairperson and a secretary, both of whom shall be classroom teachers, and schedule a calendar of meetings to review all the written uniform policies of the respective districts that affect the terms and conditions of the teachers' employment. From those written policies the interim personnel policy committee shall put together a proposed set of policies for the new school district.

(c)(1) After drafting a proposed set of policies for the new school district, the interim personnel policy committee shall meet with the interim school board of the new school district to present and explain to the interim school board the proposed set of policies for the new school district;

(2) Upon request of the interim personnel policy committee, the interim school board shall be entitled to meet with the interim personnel policy committee at least twice before June 1, 2004, for the purpose of reviewing, receiving, and discussing with the interim personnel policy committee the proposed policies for the new school district.

(d) The interim personnel policy committee shall serve as the new school district's personnel policy committee until a new personnel policy committee is formed and successor personnel policy committee members are elected under this subchapter, or until the new school district chooses to officially recognize in its policies an organization representing a majority of the teachers in the district for purposes of negotiating as provided for under this subchapter.

(e) The interim school board shall adopt a uniform set of policies before July 1, 2004, which shall be the personnel policies for the new school district for the 2004-2005 school year.

(1) If the interim school board decides to adopt any policy or policies different from those proposed by the interim personnel policy committee, the interim school board shall submit the proposals to the interim personnel policy committee at least seven (7) calendar days prior to being considered for adoption by the board;

(2) The chair of the interim personnel policy committee, or a committee member designated by the chair, will have the opportunity to orally comment on any of the interim school board's proposals prior to their adoption;

(3) Any written policy of a new school district that affects the terms and conditions of a teacher's employment shall be considered a personnel policy;

(4) The new personnel policies shall not impair or diminish the existing contract rights of any teacher.

(f) If a school district with a personnel policy committee consolidates with another school that recognizes in its policies an organization representing the majority of the teachers of the district for the purpose of negotiating personnel policies, salaries, and educational matters of mutual concern pursuant to Arkansas Code § 6-17-202, the teachers in the district with the personnel policy committee shall have the right, in their first year of employment with the new district, to elect to have their contract governed by the negotiated personnel policies of the new district or to continue with the terms of their existing contract under the personnel policies of the district they were employed by the year prior to the consolidation.

(g) The provisions of this section shall expire on July 1, 2005.

SECTION 90. Arkansas Code Title 6, Chapter 17, Subchapter 2, is amended to add an additional section to read as follows:

6-17-210. Reduction in Force - Lay-Offs.

(a) For purposes of this section the following definitions shall apply:

(1) "Certification area" means grade levels or subject area for which the state provides a license to teach;

(2) "Classified Employee" means a non-supervisory employee holding a position that is not required by law to hold a license issued by the State Board of Education and whose salary are on a support or classified salary schedule;

(3) "Consolidation" means any reorganization of a school district effective on or before July 1, 2004, either voluntarily under Arkansas Code Title 6, Chapter 13, Subchapter 14 or involuntary under this act of 2003;

(4) "Grade Level" means:

(A) Pre-kindergarten;

(B) Elementary, which consists of grades kindergarten through grades five (5) or six (6);

(C) Middle or Junior High, which consists of grades six (6) or grade seven (7) through grades eight (8) or nine (9); or

(D) Senior High, which consists of grades nine (9) through twelve (12);

(5) "New school district" means the resulting school district after consolidation;

(6) "Seniority" means the total number of years of employment as a teacher or as a classified employee in Arkansas public elementary and secondary schools. For purposes of this section:

(A) Teachers may not count service as classified employees towards seniority; and

(B) A semester under contract shall be counted as a year. Less than a semester shall not be recognized for seniority;

(7) "Supervisory Employee" means any individual employed by the school district having authority, in the interest of the employer, to hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward or discipline other employees, the responsibility to evaluate them, or to adjust their grievances or effectively to recommend such action; and

(8) "Teacher" means a non-supervisory employee holding a position that requires a license from the State Board of Education whose salary is determined by the teacher salary schedule as required under Minimum Teacher Compensation Act of 2003.

(b)(1) In the event of a consolidation effective on or before July 1, 2004, including the creation of regional school districts, the school districts to be consolidated shall not implement a reduction in force and

shall not non-renew or terminate any teacher's or classified employee's contract based upon the upcoming consolidation;

(2) The new school district shall become liable for all teacher and classified employee contracts of the school districts being consolidated.

(c)(1) If during the first two (2) years following a consolidation, effective on or before July 1, 2004, the new school district determines that it is necessary to reduce its staff of teachers or classified employees, or both and that the reduction cannot be accomplished through attrition, then the new school district shall follow the provisions of this section.

(2) However, nothing in this section shall exempt a new school district from complying with the Arkansas Teacher Fair Dismissal Act, §§ 6-17-1501, et seq., as may be amended, or the Public School Employee Fair Hearing Act, §§ 6-17-1707, et seq., as may be amended, when implementing the reduction in force.

(d) For both teachers and classified employees, the reduction in force shall be accomplished through attrition as much as possible.

(e) When a new school district determines that a reduction in force is necessary, it shall approve a list of position reductions by school, grade level, certification areas, and classified job positions. All employees shall receive a copy of the necessary reductions.

(f)(1) If the reduction in force cannot be accomplished through attrition, then points will be assigned to each teacher based upon data as of July 1 of the year prior to the time in which the reduction in force is to take place as follows:

(A) One (1) point shall be given for each year of seniority;

(B) Additional points for graduate degrees, but only one (1) applies:

(i) Two (2) points shall be given for an earned Master's Degree, maximum two (2) points;

(ii) Three (3) points shall be given for a Master's Degree plus thirty (30) additional graduate level hours, maximum three (3) points;

(iii) Four (4) points shall be given for an Educational Specialist Degree, maximum four (4) points; and

(iv) Five (5) points shall be given for a Doctorate Degree, maximum five (5) points; and

(C) Six (6) points shall be given for certification by the National Board of Professional Teaching Standards.

(D) One (1) point shall be given for a trained mentor teacher;

(E) One (1) point shall be given for a certified Praxis assessor;

(F) One (1) point shall be given for two (2) or more academic content areas of endorsement as identified by the State Board of Education;

(G) One (1) point shall be given for certification or teaching in an State Board of Education approved shortage area; and

(H) One (1) point shall be given for multiple areas and levels of licensure as identified by the State Board of Education.

(2) All points assigned shall be verified by documents on file with the new school district. Each teacher's points shall be added, and teachers shall be ranked by the total points from high to low in their certification areas. All teachers in the new school district shall receive the listing of personnel and point totals.

(3) In each certification area, those with fewest points will be laid-off first with the following provisos:

(A) Full certification in a position shall prevail over greater points.

(B) If points are equal, earliest date of employment in an Arkansas public school shall prevail.

(4) If teachers are laid-off from employment under this section, they shall be offered an opportunity to fill a vacancy for which they are qualified, for a period of up to two (2) years. The laid-off teacher shall be recalled for a period of two (2) years in reverse order of the lay-off to any position for which they are qualified. A teacher's refusal of a position shall end the district's obligation to place the laid-off teacher.

(g) In the event of a necessary reduction in force under this section of classified employees, the school district shall supply all classified employees a list of employees by length of service. The school district shall first lay-off probationary classified employees, then the classified

employees with the least seniority in the identified job classification. For two (2) years following the reduction, classified employees whose positions have been eliminated due to a reduction under this section shall have the right to assume a position for which they are qualified that is held by the least senior classified employee with the same job classification and length of contract. Laid-off classified employees shall be recalled for a period of two (2) years in reverse order of the lay-off to any position for which they are qualified. Any classified employee's refusal of a job shall end the district's obligation to place that classified employee.

(h) Laid-off teachers or classified employees with skills in the area of a vacant position shall be given first consideration. If more than one (1) teacher or classified employee is qualified for the vacant position, the teacher with the greatest seniority shall be employed first.

(i) The provisions of this section shall expire on July 1, 2006, with the exception of the recall provisions in subsections (f)(4), (g), and (h) of this section.

SECTION 91. Arkansas Code § 6-17-410(e)(2), pertaining to the reasons for which a license may be revoked or suspended or the licensee placed on probation, is amended to add an additional subdivision to read as follows:

(I) Determination by the Department of Education that a school superintendent or education service center director has committed an act or violation, including, but not limited to, any violation of Arkansas or federal law, rules or regulations, or reporting requirements which jeopardizes the fiscal or academic integrity of a school or school district.

SECTION 92. Arkansas Code § 6-17-907 is amended as follows:

6-17-907. Funds

(a) The county treasurer of each county in the state is directed to establish for each school district for which he is treasurer the following funds:

- (1) The teachers' salary fund;
- (2) Operating fund;
- (3) Building fund;
- (4) Debt service fund;
- (5) Capital outlay fund; and

(6) Consolidated federal grants fund - Control.

(b) The county treasurer shall credit to the operating fund all other revenues not earmarked for the building fund, debt service fund, capital outlay fund, or consolidated federal grants fund.

(c) ~~He~~ The county treasurer shall credit to the building fund those funds received:

(1) Through the sale of bonds or otherwise;

(2) From insurance collected for damages to school property except when the property damages have been repaired out of the operating fund which will be reimbursed by the insurance proceeds.

(d) ~~He~~ The county treasurer shall credit to the debt service fund revenue from any continuing levy for the retirement of bonded indebtedness.

(e) ~~He~~ The county treasurer shall credit to the capital outlay fund any revenue specifically dedicated for capital outlay fund purposes.

(f) ~~He~~ The county treasurer shall credit all the various federal funds to the consolidated federal grants fund unless otherwise specifically designated by the Arkansas Department of Education.

SECTION 93. Arkansas Code § 6-17-908 is amended as follows:

6-17-908. Teachers' salary fund.

(a) Only warrants or checks in payment of salaries of teachers, as defined in § 6-17-902, in payment of dues of teachers to professional organizations, in payment of teachers' contributions to the Arkansas Teacher Retirement System, and in payment of insurance or other fringe benefits for teachers shall be paid from the teachers' salary fund. However, insurance or other fringe benefits must be approved by a majority of the teachers in the school district voting in a secret election.

(b) The county treasurer and ~~his~~ the county treasurer's surety or the district treasurer, if the district has its own treasurer, and ~~his~~ the district treasurer surety shall be liable for any warrants or checks paid from the teachers' salary fund which are not herein authorized.

SECTION 94. Arkansas Code § 6-17-1001 is repealed effective June 30, 2004.

~~6-17-1001. Minimum base salary — Master's degree.~~

~~(a)(1) The board of directors in each school district in the state shall pay its teachers upon a salary schedule which has annual increments for education and experience and which provides for a base salary, a minimum salary for a teacher with a master's degree, and at least fifteen (15) years of experience as described in this section.~~

~~(2) Beginning with the 2003-2004 school year, the teacher's experience for purposes of salary and benefits shall be his or her total years in any school district in the state and shall not be based on only the years in the district in which he or she is currently employed.~~

~~(b) In school year 2000-2001 and in each school year thereafter, no school district shall pay its teachers with a bachelor's degree and no experience less than twenty-one thousand eight hundred sixty dollars (\$21,860).~~

~~(c) In school year 2000-2001 and in each school year thereafter, school districts shall pay teachers with a master's degree and no experience at least one hundred fifteen percent (115%) of the minimum base salary prescribed in subsection (b) of this section.~~

~~(d) In school year 2001-2002 and in each school year thereafter, school districts shall pay a teacher with a master's degree and at least fifteen (15) years of experience one hundred fifty percent (150%) of the state minimum base salary.~~

~~(e)(1) In school year 1995-1996 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fourteen (14) annual increments for experience.~~

~~(2) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fifteen (15) annual increments for experience.~~

~~(3) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation:~~

Years	Experience	BA Degree	Salary	MA
Degree				Salary

0	\$21,860	\$25,139
1	22,304	25,649
2	22,748	26,159
3	23,192	26,669
4	23,636	27,179
5	24,080	27,689
6	24,524	28,199
7	24,968	28,709
8	25,412	29,219
9	25,856	29,729
10	26,300	30,239
11	26,744	30,749
12	27,188	31,259
13	27,632	31,769
14	28,076	32,279
15 or more	28,520	32,789

~~(f) For the 1997-98 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with one (1) and two (2) years of experience.~~

~~(g) For the 1998-1999 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with three (3) and four (4) years of experience.~~

~~(h) For the 1999-2000 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with five (5) and six (6) years of experience.~~

~~(i) For the 2000-2001 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with seven (7) and eight (8) years of experience.~~

~~(j) For the 2001-2002 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with nine (9) and ten (10) years of experience.~~

~~(k) For the 2002-2003 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with eleven (11) and twelve (12) years of experience.~~

~~(l)(1) For the 2003-2004 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with thirteen (13) years of experience.~~

~~(2) For the 2004-2005 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fourteen (14) years of experience.~~

~~(3) For the 2005-2006 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fifteen (15) years of experience.~~

~~(m) Subsections (f) (1) of this section shall not apply to any local school district whose minimum salary for teachers exceeds twenty one thousand eight hundred sixty dollars (\$21,860) and whose average salary exceeds the state average salary for teachers for the previous year.~~

~~(n) As used in this section, "teacher" shall include any full-time employee of a local public school district:~~

~~(1) Who is compelled by law to secure a license from the State Board of Education as a condition precedent to employment in a position in or~~

~~related to grades pre-kindergarten through twelve (preK-12) of the public schools of this state; and~~

~~(2) Who is:~~

~~(A) Engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time;~~

~~(B) A guidance counselor; or~~

~~(C) A librarian.~~

~~(e) All minimum salaries set forth in this section shall be for a contract number of days that is not more than the number of days in the school year required by the State Board of Education's regulations for accreditation for the school year in which the contract is effective.~~

~~(p)(1) A district that determines that it cannot meet the minimum salary requirements of this section from funds available may petition the Department of Education for a waiver of the requirements of this section for up to three (3) school years based on regulations promulgated by the State Board of Education.~~

~~(2) The department shall not grant a waiver to any district that is not in compliance with the uniform rate of tax requirements under Arkansas Constitution, Amendment 74.~~

SECTION 95. Arkansas Code § 6-17-1113(a)(1) and (2), pertaining to a list of entities eligible to participate in the school worker defense program, are repealed.

~~(1) Education service cooperatives;~~

~~(2) Education service cooperative board members;~~

SECTION 96. Arkansas Code § 6-17-1113(a), pertaining to a list of entities eligible to participate in the school worker defense program, is amended to add an additional subdivision to read as follows:

(18) The members of an education service center executive committee

SECTION 97. The Educator Compensation Act of 2001 as codified at Arkansas Code §§ 6-17-2101 through 6-17-2106 is repealed effective June 30, 2004.

~~6-17-2101. Title.~~

~~This subchapter, § 6-5-307(a), and § 6-20-412 shall be known as "The Educator Compensation Act of 2001".~~

~~6-17-2102. Legislative findings and intent.~~

~~(a) The General Assembly determines that:~~

~~(1) Salaries of Arkansas educators have traditionally lagged behind the salaries of educators in the nation and in the states that surround Arkansas;~~

~~(2) Even though educators have achieved annual increases of approximately three and two tenths percent (3.2%) in recent years, Arkansas is still far behind its neighboring states;~~

~~(3)(A) Nationally and within Arkansas, there has developed a shortage of qualified educators in certain fields of teaching.~~

~~(B) One of the reasons for this shortage is that Arkansas educators lag behind other professionals in salary amount;~~

~~(4) The most important part of a student's educational experience is the people who actually educate them; and~~

~~(5) It is necessary to attract qualified educators to the public education system in order to increase the achievement of all Arkansas public school students.~~

~~(b) It is the intent of the General Assembly that:~~

~~(1) This subchapter shall not supplant, but shall supplement, traditional pay increases that have occurred at the local level in recent years;~~

~~(2) School districts should not stop or alter any intentions to give educators a salary increase in the current school year because of the enactment of this subchapter; and~~

~~(3) This subchapter is the first of many steps that must be and shall be taken by the General Assembly to increase the quality of the working force in education over the upcoming years.~~

~~6-17-2103. Definitions.~~

~~As used in this subchapter, unless the context otherwise requires:~~

~~(1) "Required salary increase" means:~~

~~(A) For fiscal year 2002, an amount no less than one thousand dollars (\$1,000), excluding benefits and employer contributions to teacher retirement and social security, over a targeted educator's salary for fiscal year 2001; and~~

~~(B) For fiscal year 2003 an amount no less than three thousand dollars (\$3,000), excluding benefits and employer contributions to teacher retirement and social security, over a targeted educator's salary for fiscal year 2001;~~

~~(2) "Targeted educator" means an individual employed by a school district, and:~~

~~(A) Who must hold a certificate issued by the State Board of Education in order to be employed in the individual's present position; and~~

~~(B) Whose primary job responsibilities are for the education of public school students in grades prekindergarten through twelve (PK-12) and do not include districtwide administrative duties.~~

~~6-17-2104. Method for implementation.~~

~~(a) On or before June 30 of each fiscal year, each local school district shall have implemented the required salary increase or have received a waiver from the Department of Education under § [6-17-2105](#).~~

~~(b) A school district shall implement the required salary increase in a variety of methods, including:~~

~~(1) Increasing the base salaries of the targeted educators by the required salary increase;~~

~~(2) Paying a supplement to the salaries of the targeted educators at each step and each lane of the salary schedule equal to the required salary increase and making the supplement an addendum to the targeted educator's contract. The supplement, added to the targeted educator's regular salary, shall equal the targeted educator's total salary which shall be a continuing obligation; or~~

~~(3) A combination of subdivisions (b)(1) and (b)(2) of this section.~~

~~(c) Any school district utilizing the method stated in subsection (b)(2) of this section shall clearly mark those supplements under the title "Targeted Educator Compensation Act Supplement" in order to make the method easily identifiable. The "Targeted Educator Compensation Act Supplement" shall be incorporated into the salary schedule in the same way as other salary supplements under §§ 6-17-201—6-17-208.~~

~~(d) Notwithstanding the method used under subsection (b) of this section, the required salary increase shall be a continuing salary obligation of the school districts.~~

~~(e) Targeted educators who work on a part-time basis or individuals who qualify as targeted educators on a part-time basis shall receive a pro rata share of the required salary increase equal to the proportion of time that they are employed.~~

~~(f)(1) Nothing in this section shall be construed to prohibit a school district from implementing the required salary increase for fiscal year 2003 by exceeding the required salary increase for fiscal year 2002 and paying the difference between the required salary increase for fiscal year 2003 and the actual amount applied to the required salary increase for fiscal year 2002.~~

~~(2) The legislative intent of this subchapter is that all targeted educators will receive a required salary increase of three thousand dollars (\$3,000) by fiscal year 2003.~~

~~(g)(1) Nothing in this subchapter shall be construed to allow the step increases for education and experience, required under § 6-17-1001, as currently established in the individual school district, to be applied to the required salary increase as meeting the requirements under the provisions of this subchapter.~~

~~(2) Nothing in this subchapter shall be construed as to allow any other method than increases in the base salary to fulfill the existing requirements of § 6-17-1001 pertaining to the minimum salaries of teachers.~~

~~(3) Nothing in this subchapter shall be construed to prohibit a school district from raising its salaries in excess of the required salary increase.~~

~~(h) Nothing in this subchapter shall be interpreted to preclude school district employees other than targeted educators from receiving a similar increase in salary.~~

~~(i) School districts are prohibited from instituting quid pro quo situations in which school districts extend the length of or add additional duties to the targeted educator's contract in return for the required salary increase.~~

~~(j) The required salary increase for targeted educators who are prekindergarten teachers shall only be required to be implemented if the local school district has sufficient funds available to completely implement the required salary increase for the given fiscal year.~~

~~6-17-2105. Exemptions.~~

~~(a) Any local school district engaged in agreed to collective bargaining with its certified staff shall be exempt from the provisions of this subchapter to the extent that school districts in collective bargaining shall negotiate on salaries and other terms and conditions of employment. This section in no way is to be interpreted as altering or replacing any collective bargaining agreement in place at the time of the enactment of this subchapter.~~

~~(b)(1) Any local school district may petition the Department of Education for a waiver from the provisions of this subchapter.~~

~~(2) The waiver shall not be for a time greater than three (3) years.~~

~~(3) The process for the waiver shall be the same as the process for a local school district to receive a waiver under § [6-17-1001](#).~~

~~(4) Any local school district that petitions for and is granted a waiver from this subchapter shall be placed in Phase I of fiscal distress as defined under §§ [6-20-1601](#) — [6-20-1610](#).~~

~~6-17-2106. Regulatory authority and enforcement.~~

~~(a) The State Board of Education shall have the authority, acting pursuant to its rule making power, to promulgate appropriate rules and regulations for the implementation of the provisions of this subchapter.~~

~~(b) The provisions of this subchapter shall be audited on an annual basis.~~

~~(c) Any school district that has been found to not be in compliance with the provisions of this subchapter shall be placed on Phase I fiscal distress under the provisions of § 6-20-1601 et seq.~~

SECTION 98. Arkansas Code Title 6, Chapter 17, is amended to add the following subchapter:

6-17-2301. Title.

This subchapter shall be known and may be cited as the "Minimum Teacher Compensation Act of 2003."

6-17-2302. Legislative Intent.

The intent of this subchapter is for the State of Arkansas to create a teacher compensation system that has the following objectives:

(1) A compensation system that drives improvements in student academic achievement;

(2) A compensation system that attracts and retains the best teachers possible;

(3) A compensation system that provides teachers with meaningful and rewarding opportunities for advancement in the profession based on the acquisition of skills that enhance instructional excellence and student learning, taking on leadership roles, and making exceptional professional contributions;

(4) A compensation system that motivates and provides financial incentives for teacher efforts and performance that leads directly to improved student achievement;

(5) A compensation system that encourages and rewards teachers individually for increasing their knowledge, skills, and competencies, and rewards teachers collectively for improving student performance;

(6) A compensation system that promotes a sense of ownership for student results and a commitment to perform in a manner that promotes student achievement;

(7) A compensation system that promotes professional collegial cooperation;

(8) A compensation system that as a result of the compensation program, teachers have a keen understanding of what is expected of them and the priorities of the state; and

(9) A compensation system that will be affordable, somewhat predictable, and in keeping with the state's educational and fiscal objectives.

6-17-2303. Definitions.

For the purposes of this subchapter, the following terms shall have the following meaning unless the context demands otherwise:

(1) "Basic contract" shall mean a contract number of days that is not more than the number of days in the school year required by the state board's for accreditation for the school year in which the contract is effective;

(2) "Knowledge and Skills Based Pay system" is the compensation system explicated by Arkansas Code §§ 6-17-2305;

(3) "School Based Performance Awards" shall mean the compensation system explicated in Arkansas Code § 6-17-2308;

(4) "Teacher" shall mean any full-time employee of a local public school district who is compelled by law to secure a license from the State Board of Education as a condition precedent to employment in a position in or related to grades pre-kindergarten through twelve (preK-12) of the public schools of this state.

6-17-2304. Minimum Teacher Compensation Schedule for 2004-2005.

(a) In school year 2004-2005, the board of directors in each school district in the state shall pay their teachers upon a salary schedule that has annual increments for education and experience, that provides for a base salary, a minimum salary for a teacher with a master's degree, and that has at least fifteen (15) years of experience as described in this section.

(b)(1) In school year 2004-2005, each school district in the state shall have in place a salary schedule with at least the following levels of compensation for the basic contract:

<u>Years Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
<u>0</u>	<u>\$29,000</u>	<u>\$32,279</u>
<u>1</u>	<u>29,444</u>	<u>32,789</u>

2	29,888	33,299
3	30,332	33,809
4	30,776	34,319
5	31,220	34,829
6	31,664	35,339
7	32,108	35,849
8	32,552	36,359
9	32,996	36,869
10	33,440	37,379
11	33,884	37,889
12	34,328	38,399
13	34,772	38,909
14	35,216	39,419
15 years or more	35,660	39,929

(2) For purposes of the salary schedule explicated in this subsection, the teacher's experience shall be his or her total years in any school district in the state, and shall not be based on only the years in the district in which he or she is currently employed.

6-17-2305. Knowledge and Skills Based Pay after 2004-2005.

(a) In school year 2005-2006 and each year thereafter, the board of directors in each school district in the state shall pay their teachers upon a salary schedule that has annual increments for education and experience, that provides for a base salary, a minimum salary for a teacher with a master's degree, and that has at least fifteen (15) years of experience as described in this section.

(b)(1) In school year 2005-2006 and each year thereafter, each school district in the state shall have in place a salary schedule with at least the following levels of compensation for the basic contract:

<u>Skill Level</u>	<u>Step Within Level</u>	<u>Salary</u>	<u>Percent Step</u>
<u>Entry</u>	1	\$29,000	
	2	29,580	2.0%
	3	30,172	2.0%
<u>Emerging Career</u>	1	33,038	9.5%
	2	33,669	2.0%
	3	34,373	2.0%

Career	1	37,638	9.5%
	2	38,391	2.0%
	3	39,159	2.0%
	4	39,942	2.0%
Master	1	43,736	9.5%
	2	44,661	2.0%
	3	45,503	2.0%
	4	46,413	2.0%
Arkansas Fellow	1	50,823	9.5%

(2) For the purposes of the Knowledge and Skills Based Pay system, when a teacher moves from one district to another, the teacher shall be placed in an equivalent position in terms of skill level and steps within the level on the salary schedule of the school district to which the teacher moves.

(c)(1) No individual without a standard teaching license issued by the State Board of Education may advance from the Entry Skill Level to the Emerging Career Skill Level.

(2) For an individual to advance from the Emerging Career Skill Level to each successive skill level, that individual must demonstrate sufficient increases in knowledge and skills, and the ability to use those knowledge and skills to advance student achievement, in accordance with rules and regulations promulgated by the State Board of Education.

(3) An individual must advance from the Entry Skill Level to the Emerging Career Skill Level within three (3) years or face termination.

(4) An individual must remain in the Emerging Career Skill Level for at least one (1) year before attempting to be promoted to the Career Skill Level.

(5) An individual must spend at least three (3) years in the Career Skill Level before attempting to be promoted to the Master Skill Level.

(6) The Arkansas Fellow Skill Level is for teachers who achieve and apply extraordinary expertise in the classroom.

(d) Any individual who has reached the highest Step Within Level without advancing to the next Skill Level shall continue to receive increases in teacher pay equal to two percent (2.0%). When that individual then advances to the next Skill Level, the individual's compensation shall

increase by nine and a half percent (9.5%) and shall continue to increase by two percent (2.0%) each year until the Arkansas Fellow Skill Level is attained.

(e) An individual who has attained the Arkansas Fellow Skill Level shall receive cost of living raises only.

6-17-2306. Transition from the compensation system in Arkansas Code § 6-17-2304 to the compensation system in Arkansas Code § 6-17-2305.

(a)(1) Prior to July 1, 2004, the State Board of Education shall promulgate rule and regulations to implement all aspects of the Knowledge and Skills Based Pay explicated in Arkansas Code 6-17-2305.

(2) The State Board of Education shall work in cooperation with the House Interim Committee on Education and the Senate Interim Committee on Education and any subcommittees created thereby while creating these rules and regulations.

(b) During the 2004-2005 school year, the Department of Education shall pilot and evaluate the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2304 in a limited number of school districts.

(c) During the 2004-2005 school year, the Department of Education shall preliminarily determine where each teacher will be located on the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2305.

(d) Beginning July 1, 2005, the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2305 shall be in full force and effect.

6-17-2307. Additional pay for certain teacher qualities.

(a)(1) For the school year 2004-2005 and every school year thereafter, school districts shall pay an additional four and six tenths percent (4.6%) of a teacher's salary if that individual teaches in an academic field in which there is a shortage of teachers.

(2) The State Board of Education shall annually determine in which academic areas there is a shortage of teachers.

(b)(1) For the school year 2004-2005 and every school year thereafter, school districts shall pay an additional five percent (5.0%) of a teacher's salary if that individual teaches in a geographic area in which there is a difficulty in recruiting and retaining teachers.

(2) The State Board of Education shall annually determine the geographic areas in which there is a difficulty in recruiting and retaining teachers.

(c)(1) For the school year 2005-2006 and every school year thereafter, school districts shall pay an additional five percent (5.0%) of a teacher's salary if that individual possesses academic credentials that are above what is needed for a standard teaching license.

(2) The State Board of Education shall promulgate rules and regulations that explicate which academic credentials will qualify for this type of incentive pay.

6-17-2308. School based performance awards.

(a)(1) For the school year 2004-2005 and each year thereafter, the Department of Education shall pay four different levels of school based performance awards to individual schools that show excellence in meeting state performance goals.

(2) The State Board of Education shall promulgate rules and regulations that explicate how it will be calculated that individual schools qualify for these awards.

(b)(1) The amount of the school based performance award shall be based upon the extent to which the school accomplished established student achievement goals:

(A) For a school that did not accomplish the goals there would be no award;

(B) For a school that had basic accomplishment of the goals, the award would be equal to one thousand dollars (\$1,000) per certified teacher and administrator in the school plus five hundred dollars (\$500) for support staff in the school;

(C) For a school that had accomplished targeted improvement goals, the award would be equal to two thousand dollars (\$2,000) per certified teacher and administrator in the school plus one thousand dollars (\$1,000) for support staff in the school; and

(D) For a school that exceeded the targeted improvement goals, the award would be equal to three thousand dollars (\$3,000) per certified teacher and administrator in the school plus one thousand five hundred dollars (\$1,500) for support staff in the school.

(2) The State Board of Education shall promulgate rules and regulations that explicate what the student achievement improvement goals are and how they will be determined.

6-17-2309. Monitoring and assessment of the compensation system.

(a) The State Board of Education shall promulgate rules and regulations establishing a system that monitors and assesses the implementation and continuation of the Knowledge and Skills Based Pay system as well as the School Based Performance Awards.

(b) The Director of the Department of Education shall establish a unit within the Department that will be charged with monitoring, training, and assessing necessary under this subchapter.

6-17-2310. Future adjustments of the compensation system.

Every biennium the House and Senate Interim Committees on Education shall analyze the compensation levels explicated under this subchapter based upon relevant available data and shall make recommendations to the Assembly of any adjustments to the compensation levels deemed necessary to further the objective explicated in Arkansas Code § 6-17-2302.

SECTION 99. Arkansas Code § 6-18-204(c) pertaining to students attending school in another district for specific purposes is amended to read as follows:

(c)(1) A student may attend school in another district for the purposes of enrolling for alternative education programs, secondary area vocational centers, or community-based education programs for which the resident district has entered into a compact with another district.

(2) The resident district of a student taking advantage of the provisions of this subsection shall pay tuition to the district or education service ~~cooperative~~ center that is the administrative agency for the compact program in the amount agreed upon the compact or as required by state regulation.

SECTION 100. Effective July 1, 2004, Arkansas Code § 6-18-206 is amended as follows:

6-18-206. Public school choice.

(4) The Assembly therefore finds that these benefits of enhanced quality and effectiveness in our public schools justify permitting a student to apply for admission to a school in any district beyond the one in which the student resides, provided that the transfer by this student would not adversely affect the desegregation of either district or the state.

(b)(1)(A) Before a student may attend a school in a nonresident district, the student's parent or guardian must submit an application on a form approved by the Department of Education to the nonresident district. This application must be postmarked not later than July 1 of the year in which the student would begin the fall semester at the nonresident district.

(B)(i) Any student who applies for a transfer under this section and is denied a transfer by the nonresident district may request a hearing before the State Board of Education to reconsider the transfer.

(2) A transfer to a district is exempt from the restriction set forth in subdivision (f)(1) of this section if ~~all districts within a county have voted to participate in choice, if~~ the transfer is between two (2) districts within a county, and if the minority percentage in the student's race and ~~majority percentages of~~ other percentages or racial categories of students in school enrollment in both the resident and nonresident district remain within an acceptable range of the county's overall ~~minority~~ percentage in the student's race and ~~majority percentages~~ other percentages of racial categories of the ~~of~~ school population as set forth by the department;

(3) The department shall by the filing deadline each year compute the ~~minority~~ percentage in the each student's race and majority ~~percentages~~ of each county's public school population from the October Annual School Report and shall then compute the acceptable range of variance from those percentages for school districts within each county. In establishing the acceptable range of variance, the department is directed to use the remedial guideline established in Little Rock School District v. Pulaski County Special School District of allowing an overrepresentation or underrepresentation ~~of black or white students in each racial category of~~ students of one-fourth (1/4) or twenty-five percent (25%) of the county's racial balance. In establishing the acceptable range of variance for school choice, the department is directed to use the remedial guideline of allowing an overrepresentation or underrepresentation of minority or majority students

of one-fourth (1/4) or twenty-five percent (25%) of the county's racial balance;

(4) A transfer is exempt from the restriction set forth in subdivision (f)(1) of this section if each school district within the county does not have a critical mass of minority ~~percentage in the student's race~~ students of more than ten percent (10%) of any single race;

SECTION 101. Arkansas Code § 6-18-508 is amended to read as follows:

6-18-508. Alternative learning environment.

(a) For purposes of this subchapter:

(1) "Alternative learning environment" or "ALE" is an educational setting which offers nontraditional/flexible instructional methods that enable all students to participate in the educational process and to prevent dropping out.

(2) "Nontraditional flexible instructional methods" are innovative methods of instructional delivery such as flexible time frames, variable credit delivery systems, applied learning, integrated curriculum, and work-based learning.

(3) "Dropping out" is leaving school without graduating or completing a state- or district- approved secondary program.

(4) "At-risk students" are those in the public school whose educational and social progress deviates from the standard expected for a successful transition to a productive adult life. An at-risk student, though intelligent and capable, typically manifests one or more of the following characteristics:

(A) recurring absenteeism

(B) disruptive behavior

(C) drop out from school

(D) personal or family problems or situations

(E) transition to or from residential programs

(F) standardized test scores or assessment portfolios which indicate that the student is nine months or more behind grade level, is one or more years behind grade level in accumulation of credits for graduation, or has been retained one or more times.

(5) "Disruptive behavior" is behavior which interferes with the students' own learning or the educational process of others and requires

attention and assistance beyond what the traditional program provides;
behavior that severely threatens the general welfare of others; and/or
frequent conflicts of a disruptive nature while the student is under the
jurisdiction of the school, either in or out of the classroom.

(6) "Personal and family problems or situations" are conditions
that negatively affect the student's academic and social progress. These may
include, but are not limited to:

- (A) pregnancy
- (B) single parenting
- (C) mental/physical health problems
- (D) frequent relocation of residency
- (E) homelessness
- (F) abuse: physical, mental, sexual
- (G) inadequate emotional support.

(7) "Students in transition" are those moving to or from
residential programs such as detention, psychiatric treatment, legal
commitment, and substance abuse rehabilitation

(b) The following shall apply to student admission:

(1) A student should be assigned to an ALE for not less than 20
consecutive school days.

(2) A student assigned to an ALE should be assessed within 20
school days.

(i) The student assessment profile should include
information on behavioral assessment, attendance records, and problems both
in and out of school.

(ii) Screening should be conducted to diagnose
learning difficulties and achievement deficits.

(3) Eligible students with disabilities defined by the
Individuals with Disabilities Education Act (IDEA), Public Law 94-142, as
amended, may be placed in an ALE.

ALEs shall provide access to appropriate education services
consistent with federal laws and regulations.

(4) Each ALE shall have a plan to involve parents, guardians, or
other parties responsible for the student.

(5) The district or districts operating the ALE shall not
discriminate against any student or group of students on the basis of race,

gender, handicap, or religious belief in the criteria for admission or in operating the ALE.

(c) ~~(a)~~ Every school district shall establish an alternative learning environment which shall afford students an environment conducive to learning.

(d)(1) ~~(b)~~ The alternative learning environment required by this section may be established by more than one (1) school district ~~or may be operated by a public school educational cooperative established under § 6-13-901 et seq~~ or an education service center.

(2) The alternative learning environment must meet the following criteria:

(A) Have students supervised by a currently licensed teacher;

(B)(i) Have a student to teacher ratio in the alternative learning environment of no more than fifteen (15) to one (1).

(ii) Have a student-to-teacher ratio of no more than twenty (20) to one (1) if an aide is employed in addition to a licensed supervisor.

(iii) Have a ratio of one (1) certified employee for every fifteen (15) full-time equivalent students.

(C) Provide each alternative learning student access to the services of a school counselor or a mental health professional and a social worker and other district resources including but not limited to transportation, health services, and free or reduced lunch;

(D) Provide a curriculum including mathematics, science, social studies, and language arts correlated with the regular classroom instruction or with the standards for the tests of General Educational Development.

(E) Provide comprehensive staff development which includes such topics as conflict management, interpersonal skills and human development, counseling and group process skills, positive approaches to behavior management and discipline, stress management, and building self-confidence for all regular, certified, or classified staff.

(3) The Department of Education shall randomly monitor school districts to ensure that alternative learning environments have been established, are conducive to learning, and are providing intervention

services designed to address individual needs of students. Each school district shall be monitored at least once every three (3) years.

(e) ~~(e)~~ The Department of Education shall establish criteria for teacher preparation for alternative learning environments, which shall include in-service training.

(f)(1)(A) ~~(d)Each school district shall report to the department, on a yearly basis, the race, gender, and other pertinent information regarding students placed in an alternative learning environment. Districts must submit an annual report to the Department of Education using a format developed by the department. Each operating ALE should maintain information, which will include, but are not limited to the following:~~

1. Number of students
2. Length of enrollments
3. Attendance rate
4. Age of students
5. Race and gender of students
6. Grade level at the time of entry and exit from
- the program
7. Reasons for admission
8. Current status of students on date of the report.

(B) This information shall be reported by the department to the Joint Interim Oversight Subcommittee on Educational Reform by September 15 of each year.

(2) The Arkansas Pygmalion Commission on Nontraditional Education will also report its findings by the same time each year to the same legislative body.

(g) ~~(e) All funding for alternative education programs distributed outside the funding formula and which meets the guidelines developed by the department shall be released at the beginning of the school year or distributed proportionally along with the state aid to school districts. Any funds received by a local school district for alternative learning environments may only be expended for eligible alternative learning environment programs.~~

(h) ~~(f) For the 1999-2000 school year and each year thereafter, the department will develop an incentive program for those school districts whose~~

~~alternative education programs have met the guidelines.~~ The State Board of Education may promulgate rules and regulations to implement this section.

SECTION 102. Effective July 1, 2004, the Insurance Services Division of the Department of Education is transferred by a Type 3 transfer as provided in Arkansas Code Ann. 25-2-105 to the Insurance Department.

(a) Any and all statutory and regulatory authority, powers, duties, functions, records, property and funds administered or provided by other support divisions within the Department of Education or the State Board of Education for "The Public Elementary and Secondary School Self Insurance Act of 1973" or the Insurance Service Division of the Department of Education shall be transferred by a Type 3 transfer as provided in Arkansas Code Ann. 25-2-105 to the Insurance Department.

SECTION 103. Arkansas Code § 6-23-601(d)(3)(A), pertaining to employment contracts of teachers employed by a charter school, is amended to read as follows:

(3)(A) A certified teacher choosing to join the staff of a limited charter school shall be employed by the district by a written contract as set forth in ~~§ 6-13-620(4)~~ § 6-13-643(1), with the contract being subject to the provisions of the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.

SECTION 104. Arkansas Code § 6-41-207(f) pertaining to duties of the State Board of Education regarding children with disabilities is amended to read as follows:

(f) The board, in compliance with federal enforcement requirements, is authorized to disallow the generation of all state aid to children with disabilities to any local school district or education service ~~cooperative~~ which center that fails to comply with state and federal regulations, as determined by independent hearing officers, agency hearing decisions, agency complaint investigation decisions, agency compliance monitoring reports, or agency jurisdictional decisions. The board is authorized to set aside funds disallowed under this subsection (b) and to utilize such funds for the provision of a free and appropriate public education to appropriate children with disabilities.

SECTION 105. Arkansas Code § 6-47-201 is amended to read as follows:

6-47-201. Administration in elementary schools.

(a)(1) The Department of Education shall oversee and coordinate the implementation of distance learning in elementary and secondary public schools in the state.

(2) Distance learning shall be available to all school districts in the state by August 1, 2004.

(b) The Department shall promulgate rules and regulations establishing appropriate adult supervision.

(c) The elementary or secondary school may import courses from outside the state. However, ~~the course curriculum shall be approved by the department prior to offering the courses through distance learning~~ before offering the courses through distance learning the Department shall approve the course curriculum.

(d) The courses offered through distance learning shall include, but not be limited to:

(1) College preparatory courses, including, but not limited to, calculus, physics, Arkansas history, foreign languages, and computer science; and

(2) Technological courses, including, but not limited to, advanced math and science courses, advanced computer skills courses, and advanced courses in the arts.

(e) The Department shall work with the Arkansas School for Mathematics and Sciences, the Arkansas Educational Television Commission, ~~the education service cooperatives,~~ and other state agencies involved in distance learning or in implementing distance learning.

SECTION 106. Arkansas Code § 6-47-302 is amended to read as follows:

6-47-302. Implementation in elementary and secondary schools – Courses offered.

(a) The Department of Education shall plan for the statewide implementation of distance learning in elementary and secondary public schools in the state.

(b) The elementary or secondary school may utilize courses from outside the state. However, ~~the course curriculum shall be reviewed by the Department~~

~~of Education or the Department of Workforce Education prior to offering the courses through distance learning~~ Department of Education or the Department of Workforce Education before offering the courses through distance learning shall review the course curriculum.

(c) The courses offered through distance learning may include college preparatory courses, advanced mathematics and science courses, and technological courses.

(d) The Department of Education shall work with the Arkansas School for Mathematics and Sciences, the Arkansas Educational Television Commission, ~~the education service cooperatives,~~ the State Library, and other state agencies involved in distance learning.

SECTION 107. Arkansas Code § 6-51-301(a) pertaining to the creation of new multi-district vocational centers is amended to read as follows:

(a) Any request for approval of a proposed new center shall be submitted by the superintendent or chief executive officer of the school or institution proposed to function as the center and superintendents from the several schools to be served by a center or the ~~board of an education service cooperative~~ executive committee of the education service center within whose ~~boundaries~~ service area the center is to be located.

SECTION 108. Arkansas Code § 10-4-208(b), pertaining to requirements of an audit report by independent accountant when performing an audit of publicly funded educational institutions, is amended to read as follows:

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include as a minimum and as an integral part of the annual financial report a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 - 14-75-104;

(2) School officials prohibited from having interest in sales to school and from receiving pecuniary profits for favorable actions, ~~§§ 6-13-628,~~ § 6-21-601, 6-21-603;

(3) School elections, §§ 6-14-102, 6-14-118;

(4) Management of schools, ~~§§ 6-13-617 - 6-13-620,~~ §§ 6-13-637-6-13-643, 6-13-701;

- (5) Revolving Loan Fund, §§ 6-19-114(a), 6-20-801 et seq.;
- (6) District finances, §§ 6-20-402, 6-20-409;
- (7) District school bonds, §§ 6-20-1208, 6-20-1210(a) and (b);
- (8) Teachers and employees, §§ 6-17-201(b) and (c), 6-17-203 - 6-17-206, 6-17-301, 6-17-401;
- (9) Teachers' salaries, the Minimum Foundation Program Aid Act, §§ 6-17-803(b), 6-17-907, 6-17-908(a) and (b), 6-17-911 - 6-17-915, 6-17-918, and 6-17-919;
- (10) Surety bonds if district has a district treasurer, § 19-1-403;
- (11) Deposit of funds, §§ 19-8-104, 19-8-106;
- (12) Investment of funds, § 19-1-504; and
- (13) Improvement contracts, §§ 22-9-202 -- 22-9-205.

SECTION 109. Arkansas Code § 10-4-304(15), pertaining to laws under the purview of the Arkansas Governmental Compliance Act, is amended to read as follows:

- (15) Sections ~~6-13-618, 6-17-910 [repealed]~~, 6-13-639, 6-17-912, 6-17-913, 6-17-918, and 6-17-919;

SECTION 110. Arkansas Code § 14-77-102(5)(C)(i), pertaining to the subdivisions included in the Local Fiscal Management Responsibility Act, is amended to read as follows:

- (i) School disbursing officer: Organization - Disbursing officer, ~~§ 6-13-618~~ § 6-13-639;

SECTION 111. Arkansas Code § 21-1-402(a)(1) pertaining to employment by individuals elected to a constitutional office is amended to read as follows:

- (a)(1) Subject to any restrictions or conditions prescribed by the Arkansas Constitution, no person elected to a constitutional office may, after being elected to the constitutional office and during the term for which elected, enter into employment:

- (A) With any state agency;
 - (B) In any non-certified position with any public school district of this state;

(C) With any vocational education school funded by the state; or

(D) With any education service ~~cooperative; or~~ center.

~~(E) With the Cooperative Education Services Coordinating Council, unless the constitutional officer resigns prior to entering into the employment.~~

SECTION 112. Arkansas Code § 25-30-102(b) pertaining to the powers and duties of the State Board of Workforce Education and Career Opportunity is amended to read as follows:

(b) The State Board of Workforce Education and Career Opportunities shall develop and monitor a state plan for vocational-technical education ~~which~~ that shall include the establishment of at least one (1) area vocational center in each ~~educational service cooperative~~ area served by an education service center and in Pulaski County. All policy issues affecting the public schools will be developed by the State Board of Workforce Education and Career Opportunities after consultation with the State Board of Education and implemented in coordination with the Department of Education ~~or the education service cooperatives, or both.~~

SECTION 113. Arkansas Code § 26-51-420 is amended to read as follows:

26-51-420. Deductions - Education service ~~cooperative~~ centers contributions.

Education service ~~cooperatives~~ centers created pursuant to ~~§ 6-13-1001 et seq. or Act 103 of the First Extraordinary Session of 1983~~ Arkansas Code Title 6, Chapter 13 are hereby declared instrumentalities and political subdivisions of the State of Arkansas, and all contributions and donations made to them during calendar year 1992 and any calendar year thereafter shall be deductible from the Arkansas income tax levied by § 26-51-201 et seq.

SECTION 114. IMPLEMENTATION AND SCHEDULE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW.

(a) Upon the effective date of this act, the State Board of Education shall cause to be published a preliminary list of all provisional school districts.

(b)(1) By March 1, 2004, any provisional school district required to merge with another provisional school district in order to meet the average daily membership requirements set forth in Section 29 of this act shall submit a petition to the State Board of Education. The State Board of Education shall have the authority to promulgate rules and regulations on this issue.

(2) By March 1, 2004, any provisional school district required to merge with another provisional district may make recommendations to the State Board of Education regarding a proposed reorganization structure to meet the average daily membership requirements set forth in Section 29 of this act.

(3) The State Board of Education shall give consideration to the recommendations of the existing provisional school districts for new school district boundaries.

(c)(1) By May 1, 2004, the State Board of Education will certify which provisional schools has meet the average daily membership requirements set forth in Section 29 of this act. Upon certification the provisional school is reclassified as "_____ " School District. If a provisional school district fails to demonstrate that it has met the average daily membership requirements set forth in Section 29 of this act, then the State Board of Education shall consolidate or annex the provisional district with another provisional district pursuant to the requirements established under 6-13-1401 et. seq. A final list of all school districts will be published on May 30, 2004.

(2) Prior to the consolidation or annexation of any school district, prior to July 1, 2004, the State Board of Education shall seek an official opinion from the Attorney concerning the impact of the proposed annexation or consolidation on the effort of the state to assist a district or districts in desegregation of the public schools of this state.

(d)(1) On July 1, 2004, any provisional school district or school district created under this act shall become the successor in interest to the property of the school districts assigned to the newly created (provisional) school district, shall become liable for the contracts and debts of the school districts assigned to the _____ " _____ (provisional) school district, and may sue and be sued therefore;

(2) On July 1, 2004, when territory less than an entire school

district is assigned to a consolidated or annexed school district, the consolidated or annexed school district shall take the property of the school district from which the territory was taken, as the State Board of Education shall deem proper, and shall be liable for that part of all indebtedness of the district from which the territory was taken as shall be assigned to it by the state board.

(3) On July 1, 2004, the Department of Education shall become the successor in interest to the property of the education service cooperatives dissolved under this act of the Second Extraordinary Session of the 2003 Assembly. The Department of Education shall not assume any debts of the dissolved education service cooperatives. The Department of Education may assume any contracts issued by the education service cooperatives.

(e)(1) Beginning on July 1, 2004, and until their successors are elected and take office under this act, school district boards of directors of districts whose boundary lines did not change shall continue in office pursuant to Arkansas Code 6-13-1406.

(2)(A) Beginning on June 1, 2004, school district board of directors from districts whose boundary lines have been redrawn shall establish an interim board as provided in 6-13-1406 until their successors are elected and take office under this act. The interim board of directors of a (provisional) school district shall consist of the presidents of the school district boards of directors of the school districts assigned to that a newly annexed or consolidated school district.

(B) The school board created under subdivision (e)(2)(A) of this section shall have the same powers and duties as any other school district board of directors. The first duty of the interim boards of directors created under this subsection shall be to select a superintendent of schools who shall be hired for a term not to exceed July 1, 2005.

(f)(1) In the annexed or consolidated school districts created under this act, the interim board of directors of the school district shall submit to the qualified electors of the district at the 2004 school election a proposed tax millage rate for the district. If the qualified electors of the school district approve the proposed millage rate, it shall be the tax rate for the school district, provided the tax rate complies with the uniform rate of tax.

(2) If the electors have failed to approve a proposed millage

rate at the 2004 annual school election in a school district created under this act, then the millage rate for the district shall be the uniform rate of tax and whatever debt service millage necessary to secure the bonded indebtedness of the regional school district.

(g) This section shall no longer be in effect on June 30, 2005.

SECTION 115. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court in Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the now extent system of education to be unconstitutional because it is both inequitable and inadequate; and the Arkansas Supreme Court set forth the test for a constitutional system to be one in which the State has an "absolute duty" to provide an "equal opportunity to an adequate education"; and the Arkansas Supreme Court instructed the General Assembly to define and provide what is necessary to provide an adequate and equitable education for the children of Arkansas-forthwith. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.